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Editorial AS WE SEE IT

A number of observers with New Deal leanings are now fond of speaking with obvious admiration of the "young, vigorous, and progressive" leadership in the White House and with sorrow of the "leisurely, skeptical, unexcited" attitude at the other end of Pennsylvania Avenue. They recognize that President Kennedy entered the White House without any unequivocal "mandate" to awe those in Congress who are reluctant to do his bidding. They see in the fecundity of his demands upon Congress an indication of a deliberate effort on his part to arouse the rank and file to the support of his programs. Some are finding evidence here and there that this policy is making headway, although it is commonly agreed that it may well be necessary for the President to revive the "fireside chats" of Franklin Roosevelt, and even quite possibly await the results of what individual members of Congress hear when they go home for the usual recess next summer.

At the risk of appearing to condemn strong leadership of any kind and to condone indolence and uncertainty of mind, we venture the thought that the country may in the end find that it has good cause to be thankful for a Congress which cannot be stampeded into trying to cure all the evils mankind is heir to by legislative measures. It may as well be admitted with candor that there is little evidence of constructive ideas in the legislative branch of the national government. The country would be far better off with a really strong and constructive leadership on Capitol Hill. It now has no such Congress—despite a few exceptional members who, incidentally, are unable to do more than stave off some of the more hazardous and harmful provisions of proposed laws which otherwise would find a place on the statute books of the nation. But inaction is to be preferred to much that is now being suggested.

One Proposal After Another

The newly inaugurated President is daily breaking records with a flood of legislative (Continued on page 22)

Federal Spending to Accomplish Full Employment Imperils Dollar

By Dr. G. C. Wiegand, *Professor of Economics, Southern Illinois University, Carbondale, Illinois*

Our method of coping with unemployment and failure to translate productivity gains into lower prices are held responsible for the dollar's depreciation so sharply revealed during last October's London "gold rush." Dr. Wiegand compares Europe's pursuit of non-Keynesian economics with Washington's reliance on government spending and easy credit to bring about prosperity and economic growth and warns that foreign creditors display their fear of our Keynesian-union policy when they convert their dollar balances into gold.

More than four months have passed since the sudden shock of the London "gold rush" on October 19-21 demonstrated to the whole world the growing and widespread distrust in the dollar. Even the most naive "pollyannist" will no longer claim that "just a few speculators" were able to drive the price of gold to $41 an ounce, corresponding to a depreciation of the dollar of 17%. Gold sales in London trebled between June and October, with total sales throughout the world approaching the half-a-billion-dollar mark during October alone. Sales in Paris quadrupled after the London rush started. The dollar prestige dropped to a new low, especially since the European markets were under the impression that a large portion, possibly as much as 50% of the panic buying was for American account, chiefly by foreign subsidiaries of American corporations, which seemed to indicate that well-informed Americans, themselves, had lost confidence in the dollar. The "gold rush" certainly did not come as a surprise—except to the American public. While traveling in the Near East in August, this writer was amazed to find how much the weakness of the dollar was a topic of general concern from the bellhop in Damascus, to the foreign exchange and gold dealer in Beirut, and the businessman in Istanbul. At an international conference in Germany early in September, the precarious position of the dollar was discussed in great detail, and some of the most knowledgeable experts, including the German Minister of economics, Professor Erhard, viewed the situation with grave concern. By the beginning of October, the financial centers of Europe were jittery, expecting a major crisis any day.


G. C. Wiegand

Only Washington was seemingly unaware of the growing tension. Or did the Administration realize the danger, and was just hoping that it would go away on its own? For at least five years bankers, economists and high government officials had expressed concern. "We are rapidly approaching, if we have not already reached, a balance of payments problem of our own," warned John J. McCloy, Chairman of the Board of the Chase Manhattan Bank in November, 1958. "We have a large number of our friends inquiring about the stability of our currency. Without a sound dollar, not only our trade but the whole world's trade—and I dare say its whole welfare—is in real jeopardy."[1] Time and again warnings appeared in financial journals. "It is high time," concluded the *United States Investor* in August, "for a turnabout in Washington's complacent attitude toward what could become a major catastrophe."[2] According to an item in *Time*,[3] Treasury Secretary Anderson became concerned as far back as November, 1959, "but the danger was not fully realized until nearly a year later. By that time, the stern action needed to bulwark the gold reserve could have made (Continued on page 22)

1 John J. McCloy, in an address before the National Foreign Trade Council, November, 1958.

2 *United States Investor*, Aug. 8, 1960, page 37.

3 *Time*, January 27, 1961.

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 29.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

AUGUST HUBER

Partner, Spencer Trask & Co., New York City

Members: New York Stock Exchange and American Stock Exchange

Columbian Carbon Co.

The chief problem in the current generally over-valued market is to select issues which provide a fair income return, reasonable price relationship to earnings and a favorable longer range outlook. Columbian Carbon meets this requirement. Around the present price of 56 the $2.40 dividend provides a yield of 4.3% and the shares are selling at 13.6 times earnings of $4.06 per share. The company is a leading producer of carbon black (used in the manufacture of tires and other rubber goods). This product accounts for about 40% of total sales which in 1960 were $80 million (vs. $76 million in 1959).

August Huber

Carbon black is produced from natural gas and oil. The company owns domestic reserves of 1.5 trillion cubic feet of gas and 3.8 million barrels of oil.

The company's Printing Ink division accounts for about 20% of total sales (13 plants in the U. S. and three in Canada).

Other products include natural gasoline, liquified petroleum gases, printing equipment, etc.

Columbian Carbon's export business is important and the company's foreign affiliates are constructing plants to serve the active European auto and rubber industries. These affiliates operate plants in England (50% owned), The Netherlands (49% owned), Brazil (46% owned), and Italy (75% owned).

Among the newer additions to plant facilities are (1) a new carbon black plant with 40 million pounds capacity at Hamilton, Ontario to be completed this mid-year; (2) a plant recently completed in the Houston, Texas area to produce mixtures of carbon black in polymer resins to be used in cable insulating materials for plastic pipe, and (3) a carbon black plant began production late last year in Milan, Italy.

The company's sales have increased steadily each year from $48 million in 1952 to $80 million in 1960. The growth in the demand for carbon black has been largely motivated by the increased use of synthetic rubber. Considerably more carbon black is required in synthetic than with an equal weight of natural rubber.

The use of synthetic has grown through the years and today takes about 70% of the U. S. rubber market. On the other hand, foreign markets have largely continued to use natural rubber. The use of synthetics overseas is expected to increase substantially, thus providing a base for expanding sales of carbon black. Columbian Carbon should be well situated to participate in the future materialization of a growing foreign demand.

Earnings were at an all-time high last year at $4.06 per share. This compared with $3.77 per share the year before (after deducting 51 cents per share of a non-recurring charge).

Profits trended downward during 1960 due to lessened demand for carbon black in the final six months (as tire-makers reduced inventories?). The printing ink division sales and earnings however, reached new highs last year.

For 1961, profits should hold around the $4 per share level with the printing ink division showing further gains; sustained over-all tire industry sales, and increased foreign production.

For the company's major outlet—the tire industry — 1961 prospects suggest unit tire sales about equal to last year.

This takes into consideration a decline in original equipment tire shipments this year (reflecting lower automobile output) but this should be offset by increased tire replacement demand. In all, total passenger car, truck and bus tire shipments should again be around the 115 million units shown in 1960.

Over the years ahead, underlying growth for Columbian Carbon should continue through (a) increasing vehicles in use, and use of synthetics; (b) oil and natural gas reserves represent potential major contributors' operations (c) demand for printers' ink for use in packaging materials, should continue to grow, and (d) increasing foreign markets and the company's expansion in such areas.

Currently selling around 56, the shares have ranged between 61 and 30 during the past 10 years.

The regular $2.40 per share dividend rate (dividends have been paid each year since 1916) currently yields a better than average 4.3%.

Around 56, the shares are selling at 13.8 times current earnings, a reasonable valuation in today's market. On the average over the past 10 years, Columbian Carbon sold at 14.2 times earnings.

Meanwhile, for example, the Dow-Jones Industrial Averages have been selling at steadily increasing multiples to earnings with the present figure 20 times compared with a 10-year average of about 13 times.

Columbian Carbon may be regarded as an issue offering relatively favorable current value; a better than average 4.3% yield, and encouraging longer term growth aspects. The stock is listed on the New York Stock Exchange.

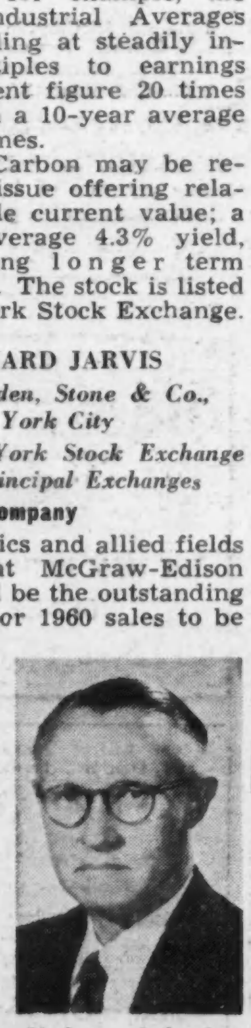
N. LEONARD JARVIS

Partner, Hayden, Stone & Co., New York City

Members New York Stock Exchange and other principal Exchanges

McGraw-Edison Company

In the electronics and allied fields I think that McGraw-Edison Company could be the outstanding issue. I look for 1960 sales to be well in excess of $300 million with sales possibly exceeding $380 million in 1961 and $410 million in 1962. McGraw-Edison while showing larger sales last year over 1959, a new high record, didn't quite equal the previous year's earnings. The situation this year, however, could be changed dramatically.



N. Leonard Jarvis

This company has perfected an automatic telephone dialing device called "Rapidial." How does this "Rapidial" work? The name of persons or organizations frequently called are written manually on a roll seen through a "window" on the face of the machine. This roll is driven past the window by the knob on the right. By writing in a name and placing it in position, and then dialing the telephone number of the party, the number is electronically stored or memorized on a magnetic tape for unlimited future use. Therefore, to call that number it is only necessary to turn the knob to again place the name in position and then to press the bar at the lower part of the machine and the number is dialed automatically without error.

"Rapidial" will carry 300 numbers. A new motorized version has recently been perfected which will carry 500 numbers. The American Telephone Company will purchase these from McGraw-Edison and will rent them to subscribers for around $12 a month. The company also has a new Voicewriter manufactured in Italy which is said to be better than a competitive German make and cheaper. It has a new portable magnetic tape recorder weighing only six pounds which can be operated for 45 hours on one set of batteries. It has new electronic regulation transformers which take care of the voltage fluctuations automatically, new circuit breakers and new fuses. Incidentally, McGraw - Edison makes 2.5 million fuses daily and practically all airplanes now use fuses, a large percentage by McGraw-Edison, as against previous use of circuit breakers.

An electronic tube, capable of detecting fire by sensing its ultraviolet radiation, has been introduced by the company. Designated the "U-V Detector," the tube—smaller than a golf ball—is insensitive to direct sunlight, normal illumination enclosed in glass, cosmic and nuclear radiation. It was developed to be used as a fire detector to provide a nearly instantaneous alarm, or in flame-out applications for the detection of absence of flames in boiler fire boxes, furnaces and other combustion chambers.

As a fire detector, it has several advantages over systems currently in use, such as sprinkler systems and thermostats. With a sprinkler a fire is usually well under way before it activates the sprinkler valve. In many areas, such as in department stores, resulting water damage is generally greater than that of a fire detected as soon as it starts. Thermostatic controls are in the same category. Temperature must reach a certain degree before an alarm is sounded, and the fire has a good head start by then. As a flame-out detector the tube can be mounted at a small opening of any fire box. When a fire goes out, the tube, in a reaction opposite that of fire detection, ceases to provide an output current, which also sets off an alarm or operates controls. In either application, the tube can send its signal to a visual or audio alarm at a central, manned loca-

Continued on page 4

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Maintaining Canada's Economic Independence

By W. E. McLaughlin,* *President, The Royal Bank of Canada, Montreal, Canada*

Canadian banker warns his country against tinkering with exchange rates, trade balances or capital flows in its policy towards international capital in order to maintain Canada's economic independence. He suggests policies that should be pursued to achieve high level of employment and balanced growth, and to reconcile Canadian independence with the economic advantages of foreign capital inflow. Specifically, he exposes the "bogy of foreign investment," endorses Canada's free exchange rate, and comments on effect of our gold loss on Canada.

I

Some General Considerations

It is sometimes argued that Canada is a victim of her own geography: that her loosely integrated regions from the Atlantic Provinces to the Pacific Coast must in all areas respond so completely to the massive economic power of the United States that she can hope for little or no autonomy in the realm of monetary or fiscal policy. It would be idle of course to deny the enormous economic impact of the United States. It is not sheer coincidence, for example, that the United States and Canada had roughly the same recession - recovery - recession pattern in the 1957-60 period. The response of the monetary authorities in both countries has, naturally enough, been in the general direction of monetary ease. U. S. policy has been more explicit in that, through changes in the rediscount rate, easing of reserve requirements, and public statements by the monetary authorities, both the commercial banks and the general public were well aware of what was going on. This was not the case in Canada.

W. Earle McLaughlin

But in terms of final effect on the money supply, that is on the total amount of bank deposits plus currency in the hands of the public, Canadian policy has apparently been the more "expansive" of the two. However, the actual stimulation of the economy depends, not on the money supply alone, but on the use that is made of it. Demand for loans continues strong but in the absence of any clear advance indication of easier money, it is not surprising that Canada's chartered banks have been somewhat slow to respond to what appears, *after the fact,* to have been a generally "easier" monetary policy.

But this similarity in the type and timing of monetary, and possibly fiscal, measures to meet similar conditions in Canada and the United States does not mean that Canadian policy cannot be independent in a meaningful sense. I would suggest that the similarity of the conditions to which Canadian and U. S. monetary and fiscal policy must respond is not entirely a matter of transmission from the United States to Canada: the United States is not the only source of instability in the Canadian business picture. In fact, there are forces affecting the North American economy as a whole that do not originate uniquely in either the United States or Canada.

It is nothing new of course for Canada to find that she has to take account of forces beyond her control, which affect adversely the prosperity and growth of her economy, and of repercussions from abroad to any policies she may adopt to counteract those forces. But it is something new in recent history for the United States to find itself in this position. The recent outflow of gold has dramatized a fact that has always been true in some degree: that the United States, in spite of its enormous economic strength, is, like other countries, an interdependent part of the world economy.

Moreover, there is another aspect to the recent loss of gold by the United States that may have direct repercussions in Canada. Briefly, the U. S. gold loss arises, not from a true deficit on trade in goods and services but from generous American economic aid compounded by large outflows of *private* capital to Canada and Western Europe. In other words, the United States has a current-account surplus which is more than offset by a capital outflow while Canada, in contrast, has a current account deficit that is more than offset by a long-term capital inflow. Those Canadians who have recently given public expression to their fears regarding the inflow of foreign capital may well have their "problem" solved for them, regardless of any change of Canadian policy, through some kind of U. S. restriction on the export of private capital to Canada and other foreign countries.

II

The External Conditions of Monetary Independence

I turn now to what might be called "the external conditions of Canada's monetary independence." And in this category there is one special feature of our economy that increases to a marked degree the freedom of action of our monetary and fiscal authorities in spite of the fact that our borders are open to the free movement, both ways, of goods, services and capital. I refer to the free or

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OBSERVATIONS...

BY A. WILFRED MAY

THE FUNDS UNDER FIRE

The compromise settlement approved yesterday (Wednesday, March 1) in the New York County Supreme Court of a stockholder's suit, brought against Lazard Freres and Lazard Fund which it manages, highlights the revived controversy in the Mutual Funds' relationships with their management companies. This the first conclusion to about 60 similar *derivative* suits involving 30 funds (a "derivative" action, sometimes nastily referred to as a "strike suit," is one brought on behalf of a stockholder and also others similarly situated. The fee is fixed by the Court, which takes into account the benefits rendered to all others, $50,000 is the fee so awarded in the Lazard adjudication by Justice Gavegan to the plaintiff's general counsel, Pomerantz, Levy and Haudek. This fee along with the other litigation expenses is being borne by the managers Lazard Freres, on behalf of the Fund).

The present complaints are quite uniformly centered in charges of unfair management contracts, excessive fees, portfolio "juggling" (over-trading), and other abuses imposed on Fund shareholders resulting from alleged absence of arms-length relationship between their directors and the officials of the management companies. The other funds thus involved number about 30 and include One William Street (in seven separate suits), Dreyfus, National Securities Series, Wellington Fund, TV Electronics, Fundamental Investors, and Texas Fund.

Most, if not all, of these other funds, it is learned, fully intend to "fight it out."

Lazard, while of course denying all the charges, agreed to the compromise settlement on the stated ground of avoiding the expense, inconvenience, and distraction entailed in protracted litigation. The terms of the agreement call for the substitution of a new investment advisory contract providing, in lieu of the present annual ½% on all net assets, for a *scale* of fees involving a reduction from the ½% on the first $100 million of net assets to 12/32% on the next $50 million, and ¼% on the amount above $150 million. The Fund's present assets (as of March 1), total $131,896,000.

The Case for Scaled Fees

The *Scale* basis of fees is usually advocated on the ground that the actual management costs do not rise at the same ratio as does the value of the assets. It happens that among the past endorsers of such *Scale* routine is Alfred Jaretzki, Jr., a partner in the law firm of Sullivan & Cromwell which is the legal counsel of the Lazard Fund. Mr. Jaretzki spelled this out in his article, "The Investment Companies Act; Problems Relating to Investment Advisory Contracts," in the *Virginia Law Review*, October, 1959.

"It would seem that at some point it becomes unreasonable for management fee rates to remain static no matter how great the increase in assets serviced," wrote Mr. Jaretzki. "The cost of the service does not forever increase proportionately. It should not cost four times as much to manage a $400 million Fund as it does to manage a $100 million Fund." Then, after agreeing that as the size of the enterprise grows, some increase in the net earnings to the investment adviser are legitimate, he concludes: "But, nevertheless, a measure of reasonable compensation must surely limit in some degree, not earnings, but earning ratios."

It has been suggested, by Mr. Jaretzki and others, that, in lieu of the present rule which only requires shareholder approval of the management contract at its initiation, shareholder approval be required periodically. Exceptionally, One William Street among others, through a by-law provision (which can be eliminated only by a majority of the stockholders), already specifies annual contract submission to the stockholders.

Current Market Performance of Publicly-Held Management Co's

	12/30/60	2/17/61	2/28/61	% Advance 12/30/60-to date
Channing Service Corp.	24¼	24¾	26¼	16%
Distributors Group, Inc.	7¾	9¼	10¼	32
Federated Plans, Inc.	7½	8	11½	53
Founders Mutual Dep. Corp.	3¾	4½	4¼	14
Long (Hugh W.) & Co., Inc.	16¾	23⅛	23⅝	37
Hamilton Management Corp.	16½	22½	25¼	50
Investors Diversified Servs.	184	190	204	11
Keystone Co. of Boston (The)	14½	19	20⅝	42
Nat'l Secs. & Res.	11¼	13¾	13⅜	11
Television Shs. Man.	10	15	13⅝	36
Templeton Damroth Sec. Man.	9½	10¾	10¾	13
Townsend Secs. Corp.	3¼	4½	4½	39
Vance Sanders & Co., Inc.	13½	16¼	16⅜	23
Waddell & Read, Inc.	22¾	24	28⅜	24
Wellington Co.	16	18¼	19¼	21

Average of the Cos.' %-gains since year-end—28%
Concurrent Gain by Dow Jones Ind. Average—7%

Source of Quotations: Division of Fund Management Companies (Maxwell Ohlman, Manager), Laird, Bissell & Meeds, members New York Stock Exchange.

The SEC's Status

The rash of law suits, and the attending publicity, and the new Administration, may well stimulate fresh SEC action.

The SEC's activities in this field resulted in the compromised adoption, on Feb. 26, 1960, of rules relating to proxy statements, with respect to investment companies. They provided (under amended Rule 20a-1) for the furnishing of broader information by the fund's management, and its investment adviser.

They require (under Rule 20a-2 *et seq.*) that a proxy statement relating to a fund must contain certain information in addition to that required by the SEC's ordinary proxy rules. This includes matters pertaining to the investment adviser contract, ownership and control of the adviser, interlocking management interests including underwriting. It further prescribed fuller disclosure of all material interest of all officers, directors and nominees, and about transactions between "parents" and subsidiaries.

Irrespective of the question of justification for the accusations, legal or ethical, the instant revision of fees by a leading Fund may well portend an increased trend in that direction — with major impact on management company earnings power.

State Street Investment Corp., open-end fund with approximately $206 million of net assets, is amending its contract with the State Street Management and Research Company, to alter the existing flat charge of ⅛ of 1% of net assets quarterly, by reducing to 3/32 of 1% the charge on assets in excess of $200 million.

And the legal settlement constitutes an open invitation to others to bring similar *derivative* suits.

The Existing Fee Arrangement

Of the 214 leading open-end investment companies, only 43 now operate under a management fee formula which is *variable*. Practically all of the latter follow the *scale* technique. In the case of De Vegh Fund, exceptionally, De Vegh & Company, the managers, in addition to the conventional ½% annually, get a further ½% if the year's investment *performance* exceeds, by 2 percentage points per annum cumulatively, results that could have been achieved by investing in the Dow Jones Industrial Average. (A *beat-the-market* bonus.)

Seven of the funds paying a *fixed* fee, have it set at more than ½%; with 77 others paying less than the ½%. Four companies (Founders Mutual, Broad Street, National Investors Corp. and Life Insurance Investors) pay no fee. This is the case, carrying over since 1929, with Dominick Fund among the closed-ends. (However, the managers, the Stock Exchange firm of Dominick & Dominick received a total of $149,487 in brokerage commissions during 1960.)

Broad Street pays its fee based on a percentage of investment *income* in lieu of capital assets. While this constructively highlights investment return versus market profits; it has the drawback of potentially interfering with the optimum in investing decisions.

The Publicly Owned Management Companies

An analysis, made by us, of the fees paid by those funds having contracts with the management companies whose stock is held by *the public*, discloses that 6 of the total of 30 companies shade the ½% charge, either by *scale* or otherwise, This 20% proportion by the "public" companies, of the total number of funds is identical with that of those funds whose management companies are not publicly held.

Pressure vs. Earnings

The downward impact on management company earnings from the pressure for fee reduction, would also seem to be in for continued intensification by the public's increasing *redemption* of its shareholdings. Redemptions in January of this year rose to a new monthly high of over $100 million, representing 0.57% of average combined assets, up from 0.43% in December, 1960. While the January rise is to be seasonally expected, this January's total was 28% above the previous January. In the case of one prominent fund, redemptions during the December quarter almost trebled its sales total, and over the entire year 1960 exceeded sales by 64%.

Higher costs of doing business may constitute another growing squeeze on management company earnings. The rigidity of the ceiling on sales revenue has just been reaffirmed in last week's denial by Wisconsin's Director of the Department of Securities, Edward J. Samp, of an application by Vance Saunders & Co., Inc. for an increase in the maximum *load* from 7½% to 8½%.

The Market Impact—a Silly Notion

"Of course" these factors of fee revision, redemptions, legal and legislative threats, should annihilate the formerly booming market prices of the management companies' publicly-held shares.

But this "of course" is premised on the silly notion that markets act logically. Actually, these issues have scored large price *rises* despite the publicizing of the court actions and the stepping-up of *redemptions*.

Our accompanying table shows these rises since the beginning of this year, and their remarkable acceleration during the past 12 days of Court publicity. *Price-earnings* ratios of 20-and-more on several of the bigger companies' issues have resulted from the remarkable market performance.

Paul Fagan With E. F. Hutton Co.

Paul J. Fagan, former District Secretary of the National Association of Security Dealers in Texas, has been appointed as Director of Regulatory Procedures at E. F. Hutton & Company, 61 Broadway, New York City, members of the New York Stock Exchange, it has been announced by Managing Partner Theodore Weicker, Jr. Mr. Fagan ly been associated with the NASD in New York and Washington, D. C., and with New York stock brokerage and investment banking firms. He is an honorary member of the Dallas Security Dealers Association and the Houston Stock and Bond Club.

Paul J. Fagan

John J. Bruno Forms Own Inv. Company

PITTSBURGH, Pa. — John J. Bruno has formed J. J. Bruno & Company, Inc. with offices at 713 Liberty Avenue, to engage in a securities business. The firm has also opened a branch office at 30 Broad Street, New York City under the management of Bernard Schwiedeck.

J. L. Doyle Opens

LOUISVILLE, Ky. — James L. Doyle is conducting a securities business from offices at 3825 Bardstown Road.

Kurtz to Address Women's Bd. Club

William Kurtz of Paine, Webber, Jackson & Curtis will speak to the Women's Bond Club of New York on "A New Concept of Normal Value for Stocks." The luncheon meetng is to be held on Friday, March 10 at the Bankers Club.

William Kurtz

Kerns, Bennett in N.Y.C.

Kerns, Bennett & Co., Inc. is now conducting its investment business from offices at 79 Wall Street, New York City.

R. L. Smith Adds

ST. PAUL, Minn. — Charles E. Berg has been added to the staff of Robert L. Smith & Co., Pioneer Building.

Forms Charde Investors

EAST ROCKAWAY, N. Y.—John J. Charde is engaging in a securities business from offices at 340 Atlantic Avenue under the firm name of Charde Investors Co.

Foundation Securities

Foundation Securities, Inc. is engaging in a securities business from offices at 200 West 57th St., New York City. Harry J. Garber is a principal of the firm.

George R. Harris Joins J. K. Mullen Inv. Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—George R. Harris has become associated with the J. K. Mullen Investment Co., 621 Seventeenth Street. He was formerly with Peters, Writer & Christensen, Inc., and prior thereto was head of his own investment company, G. R. Harris & Co.

The Security I Like Best

Continued from page 2

tion, or in the case of fire detection, directly to a fire station. It can also be used as a communications device to pick up invisible ultraviolet ray signals, to detect gas and smoke and the density of liquids or air. It is operative within an ambient temperature range of 75 degrees to 400 degrees Fahrenheit.

McGraw-Edison pays $1.40 in dividends, and in my opinion is a stock well worth buying by individuals and institutional types of accounts. Other major items which this company will bring out shortly are new aluminum substations and new aluminum transmission poles. The latter would compete with galvanized steel from a cost point of view but would be much lighter and easier to erect, hence the erection cost could be substantially lower. A Louisiana utility is installing this type of pole, and it is interesting to note that patents have been applied for.

The stock is listed on the New York Stock Exchange and is quoted at 37⅝.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

Little Change Found in Business Optimism Toward Second Quarter

The latest Dun & Bradstreet poll of business men's expectations, quizzing on outlook for the second quarter of 1961, shows optimism remains about at the level of the last survey taken three months ago. There was only a slight increase in the number who expected second quarter sales to fall behind those of a year ago.

Of 1,518 executives interviewed, 46% looked to higher sales in the second quarter of 1961 than in the same quarter in 1960. As would be expected under current conditions, executives interviewed this year were not so hopeful as those interviewed at this time in 1960, before the onset of the recession. A year ago, 70% expected higher sales for the second quarter over the previous year. Optimism in respect to profits showed a somewhat sharper drop. Last year 53% anticipated higher second quarter profit increases; this year only 37% expect second quarter profit increases above last year's level.

While business men polled are less optimistic than they were a year ago at this time, they are slightly more hopeful than they were in 1958 at a similar point after a business downturn was underway. In 1958, 19% expected lower quarterly sales; in the current survey, only 13% now look for lower sales. And in 1958, 21% foresaw profit reductions, while this year only 10% expect such decreases. This Dun & Bradstreet survey of business men's expectations is not a forecast but an indication of views held late in January by a representative group of business men.

Bank Clearings Up 11.3% for Week Ended Feb. 25 Over Same 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by *The Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Feb. 25, clearings from all cities of the United States from which it is possible to obtain weekly clearings was 11.3% above those of the corresponding week last year. Our preliminary totals stand at $25,244,278,541 against $22,682,969,436 for the same week in 1960. Our comparative summary for the leading money centers follows:

(000's omitted)

	1961	1960	%
New York	$13,641,854	$11,780,062	+15.8
Chicago	1,131,956	1,065,751	+ 62.
Philadelphia	1,001,000	984,000	+ 1.7
Boston	707,342	650,835	+ 8.7

Study Shows Steel Users Buying More Domestic Steel

Steel users, pushing to get rapid delivery, are bypassing foreign steel in favor of products made in the U. S., the *Iron Age* reports.

In a special study of steel imports, the magazine says this and other disadvantages of imported steel are helping domestic steel sales.

The *Iron Age* says imports are still a potent threat to sales by U. S. steelmakers. But many consumers, long active in the foreign market, are losing interest in it. Others, who had been thinking about buying steel from overseas, are changing their minds.

This trend is noted in such diverse areas as the East Coast, Cleveland, Chicago, and the Southwest.

Reasons are varied, but the *Iron Age* says these seem most important:

(1) The need to get fast delivery.

(2) A narrower price differential between domestic and foreign mills.

(3) Interruptions in foreign deliveries because of strikes and other factors.

(4) Better quality products by U. S. mills.

(5) More dependable service and a more reliable policy by U. S. producers in adjusting or replacing off-spec steel.

Products most aided by this trend are those long hurt by imports: Barbed wire, nails, bars, reinforcing bars, and pipe. But other products, including plates, shapes, and sheets are also benefiting.

The need for fast delivery, probably the key to the situation, is caused by inventory policies of most steel users. Generally, most consumers are operating at lowest possible inventory levels. This makes fast delivery and dependable service mandatory.

This is one of many examples cited in the *Iron Age* report on imports:

"We are in a battle of rolling schedules right now," says an Ohio structural and plate salesman. "And the long deliveries from foreign mills put them at a disadvantage. We have been forced into 10-day and two-week deliveries. Foreign mills can't hope to compete against that, even with a price advantage."

The magazine comments that the domestic steel industry's contention that service and reliability more than outweigh price differentials is apparently proving itself in the current weak market.

Steel Production and Shipments To Be Up 10% in March

Look for a 10% increase in steel production and shipments in March even if automakers don't step up their buying, *Steel* magazine said.

It believes the upturn is inevitable for two reasons: (1) Inventory liquidation is tapering off. (2) Steel consumption is trending upward seasonally.

Steel estimates March ingot output will be close to seven million tons (vs. 6.2 million in February). With a little help from the automotive industry, production may exceed seven million tons for the first time since last June.

It predicts first quarter production will be 19.6 million tons—up 4% from the 18.9 million made in last year's fourth quarter.

Production is at the highest level since last June and is expected to hold close to the current weekly output of about 1,590,000 tons the next few weeks.

Some mills are reacting to a pickup in orders, while others, seeing no immediate improvement, are preparing for better business by increasing their inventories of semifinished material. To get their share of an expanding market, they'll have to compete on a speed-of-delivery basis.

One mill reports that the "little guys" are coming into the market. The number of items being ordered is increasing even if aggregate tonnage is not.

Other signs of strength: Tin plate and galvanized sheets are riding seasonal uptrends. Farm equipment makers are stepping up orders as they increase production. Producers of hot rolled and cold rolled sheets are getting more orders from furniture, conduit, and appliance manufacturers.

The scrap market continues its upward trend. *Steel's* price composite on No. 1 heavy melting grade gained 33 cents last week, reaching $34 a gross ton.

Buying for export continues to be the chief market support, with Japan still the biggest customer. In 1960, Japan purchased about three times as much scrap as the next country, Italy. Other major buyers: Canada, Mexico, and West Germany.

Exporters are stockpiling scrap in Seattle. Substantial tonnage for export has been earmarked in Cleveland for shipment via the St. Lawrence Seaway when navigation opens this spring. Scrap is being shipped from St. Louis down the Mississippi by barge to New Orleans for export. Export demand is strong in Birmingham, Houston, Chicago, New York, and Buffalo.

Steel Production Data for the Week Ended Feb. 25

As previously announced (see page 26 of our issue Dec. 22) the American Iron and Steel Institute has materially changed its weekly report on the steel industry operations. The revised formula no longer relates production totals as a percentage of the industry's operating rate based on the Jan. 1, 1960, over-all productive capacity. Instead, and effective Jan. 1, 1961, the output figures are given as an index of production based on average weekly production for 1957-59.

The revised method of reporting presents the following data:

Production for week ending Feb. 25, 1961, was 1,582,000 tons (*84.9%), previous week's output of 1,582,000 tons (*84.9%).

Production this year through Feb. 25, amounted to 11,988,000 tons (*80.4%), or 44.6% below the of 1,582,000 tons (*84.9%). through Feb. 27, 1960.

The Institute concludes with Index of Ingot Production by District, for week ended Feb. 27, 1961, as follows:

	*Index of Ingot Production for Week Ending Feb. 25, 1961
North East Coast	84
Buffalo	72
Pittsburgh	75
Youngstown	79
Cleveland	72
Detroit	89
Chicago	93
Cincinnati	90
St. Louis	107
Southern	90
Western	101
Total industry	84.9

*Index of production based on average weekly production for 1957-59.

Auto Production Up 30% Above Previous Week

With thousands of auto plant workers returning to their jobs this week, U. S. passenger car production gained 30% from the lean 76,523 total of the previous week, according to *Ward's Automotive Reports.*

The statistical service said that auto output was 100,849 for the five-day period ending Feb. 24, but was 34.3% below the 153,501 in the comparable week of 1960.

Ward's said that total February car completions would fall to the lowest level for the month since 1952, estimating that fewer than 369,000 autos would be turned out by U. S. manufacturers compared with 659,323 in February last year. *Ward's* warned of lean auto output for March.

The reporting agency said that Buick, Oldsmobile and Pontiac divisions of General Motors Corp. recalled some 46,000 workers to eight assembly plants and five affiliated Fisher Body sites closed down for the previous week. Chevrolet, however, closed Atlanta and Baltimore plants this week, idling 1,800 workers, and will close its Norwood, Ohio, site next week, laying off some 2,700 workers.

Chrysler reactivated Detroit area operations, along with its Newark, Del. facility and turned out more cars than in any previous week since mid-December. However, Chrysler will halt all U. S. car making operations during next week, idling 9,000 Detroit area and 5,000 outstate workers.

Ford Motor Co. this week effected shutdowns at Dearborn, Mich., Dallas, Metuchen, N. J. and Kansas City in accordance with previously announced plans. The San Jose, Calif. Falcon-Comet site worked but four days.

American Motors continued car building throughout the week, but Studebaker - Packard, at South Bend, scheduled only four days' of assembly operations.

Of the week's car production, General Motors accounted for 53.3%, Ford Motor Co. 25.3%, Chrysler Corp. 14%, American Motors 6.2% and Studebaker-Packard 1.2%.

Electric Output 0.3% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Feb. 25, was estimated at 14,239,000,000 kwh., according to the Edison Electric Institute. Output was 76,000,000 kwh. below that of the previous week's total of 14,315,000,000 kwh. but showed a gain of 39,000,000 kwh., or 0.3% above that of the comparable 1960 week.

Freight Car Loadings for Week Drop 11.9% Below Same '60 Week

Loading of revenue freight in the week ended Feb. 18, 1961, totaled 502,334 cars, the Association of American Railroads announced. This was a decrease of 67,765 cars or 11.9% below the corresponding week in 1960, and a decrease of 81,407 cars or 13.9% below the corresponding week in 1959.

Loadings in the week of Feb. 24, were 15,987 cars or 3.3% above the preceding week.

There were 10,498 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Feb. 11, 1961 (which were included in that week's over-all total). This was an increase of 287 cars or 2.8% above the corresponding week of 1960 and an increase of 3,680 cars or 54% above the 1959 week.

Cumulative piggyback loadings for the first six week of 1961 totaled 58,968 for a decrease of 183 cars or three-tenths of one per cent below the corresponding period of 1960, but 18,949 cars or 47.4% above the corresponding period in 1959. There were 55 class I U. S. railroad systems originating this type traffic in the current week compared with 51 one year ago and 45 in the corresponding week in 1959.

Lumber Shipments Were 11.6% Lower Then in 1960 Week

Lumber production in the U. S. totaled 196,718,000 board feet in the week ended Feb. 18, compared with 199,949,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 249,738,000 board feet.

Compared with 1960 levels, output declined 21.2%, shipments dropped 11.6% and orders fell 19.3%.

Following are the figures in thousands of board feet for the weeks indicated:

	Feb. 18 1961	Feb. 11 1961	Feb. 20 1960
Production	196,718	199,949	249,738
Shipments	195,463	197,528	221,117
New orders	107,448	185,450	244,600

Inter-City Truck Tonnage for Week Was 6.3% Below Corresponding 1960 Week

Intercity truck tonnage in the week ended Feb. 18, was 6.3% behind that of the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 0.9% ahead of the volume for the previous week.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage over a year ago in only nine localities. Twenty-four points reflected decreased tonnage from the 1960 level, while one reported no change. Salt Lake City terminals showed a year-to-year gain of more than 14% from last year's volume, followed by Minneapolis-St. Paul and Richmond. Truck terminals at Detroit and Cleveland trailed last year's mark—off 37.8 and 25.5%, respectively; sizable year-to-year decreases were also registered by terminals at Seattle, Omaha and Milwaukee. Most of the larger decreases in

Continued on page 28

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The municipal bond market is showing symptoms of ease and many dealers are beginning to exercise some caution in their new issue bidding. Investor interest in the numerous new issues that have recently come to market has indicated relatively little appetite for the progressively higher prices throughout the range of offerings. However, the market is merely easy and at this point shows no evidence of real weakness.

Investor attention in the direction of a dynamic stock market has in itself been sufficient to divert direct concern from the routine of higher priced tax-exempt bond offerings. Moreover, since the Federal Reserve announcement concerning the purchase of bonds for purposes of market stabilization and for reasons of a new yield curve correlation, there has been but little investor attention in the usually active government bond phase of the general bond market.

Market Vulnerable?

From a technical viewpoint the state and municipal bond market is in a less favorable position than it has been since last fall. In the first place the market is higher than it has been since last August, according to *The Commercial and Financial Chronicle's* yield index. It stands at 3.204% today as against 3.215% last week and as compared to last year's low yield point of 3.161%, reached in mid-August. In the second place, inventory is beginning to accumulate to an extent that is causing some dealer reflection and concern and some observation from investors. The *Blue List*, which is our best measure of street float, now totals over $400,000,000. This figure has been higher on several occasions over the years and it may go higher during the next week or two, as many large issues loom immediately as possible slow movers.

Although the new issue calendar is not imminently heavy, the potential is great and, within a matter of weeks, dealers may be called upon to absorb more volume than can be conveniently placed at the current level of prices. It appears to us that even sustaining the present general level of the municipal bond market may portend problems removed from the sphere of Federal Reserve open market influence.

The new issue calendar of advertised items now totals something over $350,000,000. This moderate volume may be supplemented by large issues of California, Kentucky, Massachusetts and New Housing Authority bonds within the near future. Also looming as negotiated issue possibilities are Massachusetts and Florida Turnpike issues. These last two, however, appear as not immediate.

Recent Awards

The past week's largest and most important offering was negotiated by the Dillon, Read & Co. group with the Power Authority of the State of New York. The group purchased $80,000,000 3¾% bonds due Jan. 1, 2006 and $20,000,000 serial (1965-1979 bonds). The former were offered at par (100) and the latter at prices to yield from 2.50% to 3.40%. This offering, the last installment of financing for the Authority, was eagerly taken by investors, and the books have been closed. As we go to press, the market for the long-term bonds is quoted 99⅜-99⅝. The offering was certainly pinpointed to the market. Dillon, Read & Co. has been able to do this before.

The many new issues which came to market on Tuesday, Feb. 28, kept underwriters busy. The day's feature was provided by the Alabama Education Authority, which came to market with $30,000,000 Capital Improvement revenue bonds, due 1962-1981. This high grade issue was awarded to the syndicate managed by Halsey, Stuart & Co., Inc. and included Lehman Brothers, Smith, Barney & Co., C. J. Devine & Co., and many other underwriters. Scaled to yield from 1.50% to 3.50%, the issue seems to have received a fair investor reception with a balance of $16,750,000 remaining in account as we go to press.

Prince George's County, Md., also came to market with $11,400,000 various purpose (1962-1986) bonds on Tuesday. The issue was awarded to the syndicate headed by Halsey, Stuart & Co., Inc. and included Phelps, Fenn & Co., Goldman, Sachs & Co., R. W. Pressprich & Co., The Philadelphia National Bank, and others. The reoffering was priced to yield from 1.50% to 3.40%. The last two maturities (1985-1986) bore a 1/10 of 1% coupon to yield 4.20%.

Also on Tuesday the City of Charlotte, N. C. (Mecklenburg County) sold $5,000,000 various purpose bonds to a syndicate headed by The Chase Manhattan Bank. Other underwriters were Harris Trust & Savings Bank, Ira Haupt & Co., Bache & Co., as well as many others. The bonds were scaled from 1.60% to 3.25%. The last three maturities (1985-1987) carried a ¼% coupon and were reported reoffered at prices to yield 4.20%. This high grade issue received good initial investor reception, the present balance being $2,000,000.

On the same day, $11,000,000 Shelby County, Tenn. (1962-1936) various purpose bonds also came to market. General Improvement $7,000,000 bonds were awarded to Harris Trust and Savings Bank and their associates, including The Northern Trust Co., The Chase Manhattan Bank, Equitable Securities Corp. and Blyth & Co. This issue was scaled to yield from 1.60% in 1962 to 3.25% in 1984. The last two maturities (1985-1986) bore ¼ of 1% coupon and were reoffered at a price to yield 4.20%. The present balance is $1,600,000. The $4,000,000 school bonds (1962-1986) were awarded to a syndicate managed by Bankers Trust Co. with Halsey, Stuart & Co., Inc., Smith, Barney & Co., Continental Illinois National Bank & Trust Co. of Chicago and Lehman Brothers among the major underwriters. The bonds were scaled to yield from 1.60% to 3.30% in 1984. The last two maturities (1985-1986) which carried 1/10 of 1% coupons were not reoffered. The initial reception was good. A balance of $800,000 remains in account.

Also on Tuesday, the City of Tucson, Ariz., came to market with $5,000,000 water revenue (1962-1991) bonds. The proceeds from these bonds will finance a program for expanding the water system of this city. The winning group was headed by Glore, Forgan & Co. and included Hallgarten & Co., Francis I. duPont & Co., L. F. Rothschild & Co., and many others. The bonds were priced from 1.75% to 3.80%. The present balance is reported to be about $3,400,000.

The City of Fort Pierce, Fla. awarded $5,800,000 Electric and Water System revenue (1961-1996) bonds. The proceeds are to finance the cost of constructing extensions, additions and improvements to the electric light and water system of the city. This issue was bought by the syndicate managed by The First Boston Corp. and included Pierce, Carrison, Wulbern, Inc., Dominick & Dominick, White, Weld & Co., Kidder, Peabody & Co., and several other underwriters. The bonds were priced to yield from 1.50% to 3.90%. A balance of $4,600,000 is reported at this writing.

Chicago Sale Tops Wednesday's Business

On Wednesday, March 1, an issue of $30,000,000 Chicago, Ill., water revenue (1962-1963 and 1971-1985) bonds was won by the syndicate headed by Halsey, Stuart & Co., Inc. in very close bidding. Included among the majors in the group were Blyth & Co., A. C. Allyn & Co., Phelps, Fenn & Co., and B. J. Van Ingen & Co. The bonds were reoffered to yield from 1.50% to 3.60%. There is no report on initial sales at present.

Again on Wednesday, $3,000,000 Kingston, N. Y. School District bonds (1961-1980) were awarded to the syndicate headed by Lehman Brothers and Blyth & Co., Inc. The bonds were priced to yield from 1.40% to 3.15%. As we go to press a balance of $2,250,000 is reported.

This week's final important issue, $9,000,000 Los Angeles, Calif. Department of Water and Power revenue bonds (1962-1991) was awarded to the group managed by Glore, Forgan & Co. and which also included as majors, C. J. Devine & Co., Stroud & Co., Inc. and Francis I. duPont & Co. The bonds were reoffered to yield from 1.50% to 3.60%. A balance of $7.000,000 remains in the account after the initial order period.

Dollar Bonds Strong

Although the dollar quoted municipal revenue issues have backed off a half-point or more during the early part of this week, they continue to maintain a better than good market posture. The *Smith, Barney & Co.* Turnpike Bond yield index was recorded at 3.70% on Thursday, Feb. 23. The previous week it was 3.71%. In terms of dollars this reflects an average yield differential of only .50 (fifty one hundredths) for 35-40-year term revenue bonds as against 15-20-year high grade general obligation state and city bonds (*Chronicle* Index 3.204%). This spread has been greater in the past.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.60%	3.45%
Connecticut (State)	3¾%	1980-1982	3.30%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.15%	3.00%
New York (State)	3%	1978-1979	3.10%	2.95%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.90%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.65%	3.50%
Baltimore, Md.	3¼%	1980	3.30%	3.15%
Cincinnati, Ohio	3½%	1980	3.35%	3.20%
New Orleans, La.	3¼%	1979	3.55%	3.40%
Chicago, Ill.	3¼%	1977	3.50%	3.35%
New York City, N. Y.	3%	1980	3.45%	3.40%

March 1, 1961 Index=3.204%

With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Granville M. Campbell has become affiliated with Paine, Webber, Jackson & Curtis, 626 South Spring Street. He was formerly with Bache & Co.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

March 2 (Thursday)			
Cobb County, County Sch. Dist, Ga.	1,250,000	1962-1980	Noon
Edinburg Consol. Indep. School District, Texas	1,350,000	1962-1981	7:30 p.m.
Jefferson Parish, Fourth Jefferson Drainage District, La.	1,000,000	1962-1981	2:00 p.m
North St. Paul-Maplewood Indep. Sch. Dist. No. 622, Minn.	1,000,000	1963-1989	8:00 p.m.
Northern Berkshire Vocational Sch. District, Mass.	1,474,000	1961-1980	2:00 p.m.
Radford, Virginia	1,100,000	1962-1981	Noon
Riverhead, Southampton & Brookhaven Cent. Sch. Dist., N. Y.	2,400,000	1962-1989	2:00 p.m.
San Antonio, Texas	3,500,000	1964-1981	10:00 a.m.
Southern Illinois Univ., Illinois	8,100,000	1963-2000	10:00 a.m.
Tazewell Co. Comm. Sch. Dist. No. 303, Illinois	1,500,000	1962-1980	7:30 p.m.
Wharton Indep. Sch. District, Tex.	1,500,000	1961-1980	7:30 p.m.
Wichita Falls, Ind. Sch. Dist., Texas	3,000,000	1962-1985	11:00 a.m.
Woonsocket, R. I.	2,450,000	1962-1981	11:00 a.m.
March 6 (Monday)			
Lee County, Miss.	1,000,000	1962-1981	2:00 p.m.
Pawaukee, Lisbon, Etc., Union High Sch. Dist. Jt. No. 6, Wis.	2,000,000	1962-1981	8:00 p.m.
River Falls Etc., Joint School Dist., Wis	1,015,000	1963-1976	7:30 p.m.
Tinley Park, Ill.	1,350,000	1963-2000	8:00 p.m.
March 7 (Tuesday)			
Alameda County Flood Control & Water Conservation Dist., Calif.	1,350,000	1962-1991	10:00 a.m
Beauregard Parish, Parishwide School District, La.	1,950,000	1963-1981	5:00 p.m.
Denver, Colo.	15,000,000	1972-1999	11:00 a.m
Fulton Co., Co. Sch. Dist., Georgia	3,300,000	1962-1981	Noon
Hayward Union High School District, California	1,900,000	1962-1986	10:00 a.m.
Hempstead Union Free Sch. Dist. No. 31, N. Y.	2,940,000	1961-1990	2:00 p.m.
New Jersey	20,850,000	1986-1988	11:00 a.m.
North Marin Water Dist., Calif.	1,500,000	1963-1992	8:00 p.m.
Palmyra, New York	1,243,000	1962-1990	2:00 p.m.
Portsmouth, Va.	2,300,000	1962-1981	11:00 a.m.
Puerto Rico	40,000,000	1962-1981	11:00 a.m.
Wake County, North Carolina	2,500,000	1962-1982	11:00 a.m.
March 8 (Wednesday)			
Center Line Sch. Dist., Michigan	2,500,000	1963-1990	7:30 p.m.
Cheektowago Central Sch. Dist. No. 1, New York	3,580,000	1961-1988	11:00 a.m.
Houma, Louisiana	2,000,000	1963-1981	10:00 a.m.
St. Paul, Minn.	10,634,000	1962-1991	10:00 a.m.
March 9 (Thursday)			
Bridgewater Twp. Sch. Dist., N. J.	3,250,000	1962-1986	8:00 p.m.
Key West, Fla.	1,350,000	1963-1991	2:00 p.m.
March 13 (Monday)			
Cincinnati City Sch. Dist., Ohio	4,000,000	1962-1985	2:00 p.m.
Lima, Ohio	1,400,000	1962-1991	Noon
Northern Valley Reg. High School District, New Jersey	3,069,000	1961-1980	8:00 p.m.
March 14 (Tuesday)			
Duval County Board of Public Instruction, Fla.	15,000,000	1962-1981	11:00 a.m.
Hempstead, New York	7,936,000	--------	11:00 a.m.
High Point, N. C.	4,000,000	1962-1984	11:00 a.m.
Omaha, Neb.	3,500,000	1963-1976	11:00 a.m.
Pennsylvania General State Auth. Pennsylvania	25,000,000	1964-1988	Noon
Washington Sub. San. Dist., Md.	10,000,000	1962-1991	11:00 a.m.
March 15 (Wednesday)			
Santa Monica Parking Authority, California	1,500,000	1962-1986	10:00 a.m.
Texas Women's University, Texas	1,000,000	1964-2001	9:00 a.m.
Utica Community Sch. Dist., Mich.	3,980,000	1962-1990	7:30 p.m.
March 16 (Thursday)			
Lower Cape May Regional School District, New Jersey	1,600,000	1962-1997	8:00 p.m.
Miami University, Ohio	4,025,000	1961-1998	11:00 a.m.
University of California	2,750,000	1961-1988	10:00 a.m.
March 20 (Monday)			
Ann Arbor, Mich.	2,275,000	1962-1990	3:00 p.m.
Gateway Union Sch. Dist., Pa.	1,750,000	1962-1991	8:00 p.m.
Snohomish County, Alderwood Water District, Wash.	1,000,000	1966-1990	8:00 p.m.
March 21 (Tuesday)			
Chatham County, Ga.	2,000,000	1966-1990	11:00 a.m.
Lee County, Special Tax District No. 1, Fla.	1,500,000	1964-1981	11:00 a.m.
San Meteo Union High School District, Calif.	3,750,000	1962-1981	10:00 a.m.
March 23 (Thursday)			
Baraboo, Wisconsin	1,485,000	--------	--------
Lubbock, Texas	2,250,000	1962-1981	2:00 p.m.
Palquemines Parish, La.	4,000,000	1966-1981	11:00 a.m.
March 28 (Tuesday)			
Allegheny County, Pa.	6,760,000	1962-1991	11:00 a.m.
Hillsborough County Special Sch. Tax District No. 1, Fla.	6,000,000	--------	2:30 p.m.
Kentucky (State of)	100,000,000	--------	--------
Wausau, Wisconsin	1,750,000	1963-1982	2:00 p.m.
March 29 (Wednesday)			
Port of Oakland, Calif.	3,000,000	--------	--------

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Bank Stocks—Analysis of 1960 year-end reports—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Bond Yields—Bulletin—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Chemical Industry — Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Construction Materials—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **Columbia Broadcasting System** and **Fischbach & Moore, Inc.**, data on **Leading U. S. Banks and Trust Companies** and a study of the proposed **Morgan New York State Corp.**

Hawaii and Hawaiian Companies—Report—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Japanese Market — Review — The Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also avilable are reviews of **Morinaga Confectionary, Meiji Confectionary, Nippon Metal Industry, Nippon Stainless Steel,** and **Nisshin Steel Manufacturing.**

Japanese Market — Report—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Mitsui and Co. Ltd.** and **Mitsui Shipbuilding** and **Engineering Co., Ltd.**

Japanese Stock Market — Survey—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. **Also** available are analyses **of Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Low Priced Equities—Bulletin—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Microwave Industry — Memorandum — Steiner, Rouse & Co., 19 Rector Street, New York 6, N. Y.

New York City Bank Stocks—Three pages of ratios on 11 New York City banks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Science & Securities — Quarterly publication including articles on **Drugs, Ion, Jet** or **Plasma Companies, Medical Electronics, Oceanography** and **Microwaves**—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Silver—Report—Draper Dobie & Company, Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

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American Investors Corporation—Report—Hiner & Company, Inc., 1757 K Street, Northwest, Washington 6, D. C.

American Marietta—Data in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue are data on **Beech Nut, Eastman Kodak, Handy & Harman, Walter E. Heller, Marks & Spencer, Packaging Corp.** and **Transitron.**

Associated Testing—Memorandum—Federman, Stonehill & Co., 70 Pine Street, New York 5, N. Y.

Avco Corp. — Analysis — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y. Also available is a report on **Lanolin Plus** and a bulletin on **Marquardt Corp.**

Aztec Oil & Gas Company—Analysis — Chace, Whiteside & Winslow, Inc., 24 Federal Street, Boston 10, Mass.

Boeing Airplane — Survey—Shields & Company, 44 Wall St., New York 5, N. Y.

Boeing Airplane Company—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available is an analysis of **Copeland Refrigeration Corp.**

Buckeye Corporation—Bulletin—Weston Smith Associates, 52 Broadway, New York 4, N. Y.

Burnell and Company—Report—America's Newest Companies, 600 Old Country Road, Garden City, L. I., N. Y.

Capital Plastics—Report—Genesee Valley Securities Co., Inc., Powers Building, Rochester 14, N. Y.

Central Maine Power Company—Analysis—Hooker & Fay, Inc., 221 Montgomery Street, San Francisco 4, Calif.

Chesapeake Corporation of Virginia — Bulletin — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a report on **Union Pacific Railroad** and a memorandum on **Reynolds Metals.**

Cincinnati & Suburban Bell Telephone Company—Report—Westheimer and Company, 326 Walnut Street, Cincinnati 2, Ohio.

Clary Corp.—Analysis—Auerbach, Pollak & Richardson, 30 Broad St., New York 4, N. Y.

Diamond National Corporation—Data—Evans & Co., Inc., 300 Park Avenue, New York 22, N. Y.

Electro Science—Report—Parker, Ford & Company, Inc., Vaughn Building, Dallas 1, Texas. Also available are reports on **Wallace Properties** and **Namco.**

Fitchburg Paper Company—Analysis—A. G. Edwards & Sons, 409 North Eighth Street, St. Louis 1, Mo.

Frito Company — Report — Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also avilable are reports on **Interstate Engineering Corporation** and **Ceco Steel Corp.** and a memorandum on **Fruehauf Trailer Co.**

Gamble Skogmo Inc. — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a survey of the **Drug Industry**, both ethical and proprietary.

Garrett Corporation — Analysis—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

Gimbel Brothers—Report—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Grolier Incorporated — Review—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

Harvey Aluminum — Analysis—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a discussion of today's market.

Heyden Newport Chemical Corporation — Analysis — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Indianapolis Water Co. — Memorandum — Raffensperger, Hughes & Co. Incorporated, 20 North Meridian Street, Indianapolis 4, Ind. Also available is a memorandum on **Model Engineering & Manufacturing.**

Intermountain Gas—Memorandum—J. M. Dain & Co. Inc., 110 South Sixth Street, Minneapolis 2, Minn.

International Resistance Company—Analysis — Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

International Shoe Company—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y.

J. C. S. Electric—Memorandum—Shearson, Hammill & Co., 3324 Wilshire Boulevard, Los Angeles 5, Calif.

Laboratory for Electronics-Eastern Industries—Bulletin on proposed merger—Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass. Also available is an analysis of **Chart-Pak, Inc.**

La Crosse Cooler Co.—Memorandum — Eppler, Guerin & Turner, Fidelity Union Building, Dallas 1, Texas.

Magma Power Company — Analysis—L. H. Rothchild & Co., 52 Wall Street, New York 5, N. Y.

Mead Johnson & Co.—Appraisal—Halle & Steiglitz, 52 Wall Street, New York 5, N. Y.

Nissen Trampoline—Memorandum—James Anthony & Co., Inc., 37 Wall Street, New York 5, N .Y.

Old Empire Inc.—Analysis—David S. Zinman Company, North American Building, Wilmington 99, Del.

Pacific Lighting Corp.—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **United States Freight Co.**

Pearson Corp. — Memorandum—F. L. Putnam & Company, Inc., 77 Franklin Street, Boston 10, Mass. Also available is a memorandum on **Nicholson File.**

Prophet Co. — Memorandum—Smith, Hague & Co., Penobscot Building, Detroit 26, Mich.

Pubco Petroleum — Memorandum—Coburn & Middlebrook, Incorporated, 75 Federal Street, Boston 10, Mass.

Reilly-Wolff Associates—Report—Arden Perin & Company, Inc., 510 Madison Avenue, New York, N. Y.

Republic Corporation—Memorandum—A. C. Allyn & Co., 122 So. LaSalle Street, Chicago 3, Ill. Also available is a memorandum on **Columbia Broadcasting.**

Rose Marie Reid — Analysis—Dempsey-Tegeler & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Safeway Stores—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available are memoranda on **Shamrock Oil & Gas** and **Greyhound.**

San Diego Imperial Corp.—Analysis—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Servel Inc.—Report—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Sprague Electric Co.—Memorandum — Laidlaw & Co., 25 Broad Street, New York 4, N. Y.

Suburban Propane Gas—Memorandum—Kamen & Company, 25 Broad Street, New York 4, N. Y.

Swift & Co.—Report—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a bulletin on **Standard Oil of California.**

Swingline, Inc. — Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

Tex-Star Oil & Gas Corp.—Analysis—Equitable Securities Corporation, 2 Wall Street, New York 5, N.Y.

True Temper Corp. — Memorandum — Draper, Sears & Co., 50 Congress Street, Boston 2, Mass.

United Fruit Co.—Memorandum—Josephthal & Co., 120 Broadway, New York 5, N. Y.

United Merchants and Manufacturers—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are data on **Monsanto Chemical, J. P. Stevens, Electric Bond & Share, International Telephone, Central Foundry** and **Manning, Maxwell & Moore.**

Victor Paint — Analysis — J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Victoreen Instrument Company—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **Illinois Central Railroad.**

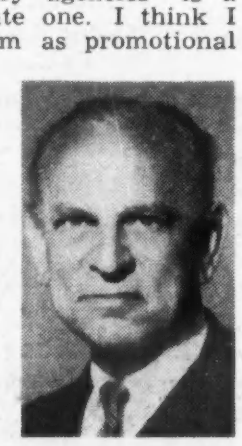
Western Union — Memorandum—Blair & Co. Incorporated, 20 Broad Street, New York 5, N. Y.

Coordinated Policies Needed In Our Regulatory Agencies

By James M. Landis,* *Special Assistant to the President on Regulatory Agencies*

Criticized are the chronic delays and piecemeal, fragmented approach found in our regulatory system. Looking upon regulatory agencies as promotional agencies to further private enterprise, Mr. Landis would like to see heads of agencies build up their staffs and delegate more to them, and to persuade coordination between agencies in such areas as transportation, communications and energy. This, he says, is preferable to new laws and ministries to end the fragmentation in handling problems.

Sometimes I tend to think the term "regulatory agencies" is a very unfortunate one. I think I look upon them as promotional agencies rather than regulatory, although, of course, they have the regulatory function.



James M. Landis

In some of the agencies the promotional aspect stands out very clearly. We subsidize our airlines, we give them almost free traffic control, we subsidize our shipping, we subsidize it both from the standpoint of construction and operation. We are trying, somehow or other, to open up more means of tele-communications throughout this country and throughout the world.

These phases are easy to pin down and say, "This is promotion," but let me suggest this: We pride ourselves upon the fact that we are a country of private enterprise. Existence of private enterprise is essential for this desire for economic growth.

I know in the early days of security legislation in this country, I think I was regarded as a big bad wolf. I pointed out that all I was planning to do was to get our capitalistic system, if you wish to call it that, to live up to its name. And I think that it now has come to acknowledge that fact and has acknowledged that fact for a considerable period of time.

So it does involve regulations, but it should not involve regulations purely for regulations sake. But regulation in order to permit the individual forces of enterprise in this country to do their best.

Delays and Fragmentations

Now what has been happening? Two facts stand out, I think, in our estimation of the regulatory scene. The first is that it isn't very efficient. Delays, delays, delays characterize the action of almost every regulatory agency. The second is a growing knowledge or conception that if you take these regulatory agencies as a whole instead of looking at them one by one, great areas of enterprise fall within their jurisdiction, probably greater than the areas that fall within the jurisdiction of cabinet departments. The trouble is there has been tremendous fragmentation in the handling of the various problems. I tried to point out that in the field of transportation, tremendous fragmentation occurs; that no national policy with regard to transportation as a whole has been developed. The same thing seems to be true in other fields. I named a couple of others. The field of communications, the field of energy, and to my mind coordina-

tion of our policies with regard to energy is tremendously important.

If for example, we could reduce the cost of energy by say 50%, just think of what that would mean in the way of expansion of our economy.

Well, those are my two main signals. Delays have occurred largely because of the operation of what we know as "Parkinson's Law," the law that bureaucracy just develops bureaucracy. That has been true, but there has been in my opinion too much of an effort to try and handle every problem by the bureaucratic method. You can't do it that way. You have to devise ways and means that are shorter, speedier, and still accurate to handle these problems other than going to a hearing and having lawyers examine them, cross examine witnesses for months and even years on end. There must be other ways of doing it. Then I think one of the other factors that has to be considered is that you have to delegate more and more from the heads of the agencies down to their staffs. That means you have to build up good and adequate staffs.

Those are the two attacks that seem to me to have more profit in them than any other in dealing with the problem of delays and also in encouraging efficiency of administration.

Persuasive Coordination

The second problem I think is a very, very much more difficult problem. It has been suggested that perhaps ministries dealing with these various fields should be created. I think we don't know enough yet to create those ministries. My own approach is rather to try and see whether or not we can develop some type of adequate national policy among these fragmented fields by trying the persuasive process of coordination rather than erecting another bureaucracy to try to control.

I think that process should be tried first before we come to the point where someone says, "You should have a law." Maybe it won't work, but there will be no harm in trying. There will be no necessity for creating additional agencies but trying to get the agencies to see how the very policies that they are enunciating should be coordinated with the policies of other agencies.

That is where I come in, and no one man can do that task. But one may, perhaps can, get other men, not necessarily from government, primarily, I should say, from outside. Borrow them, don't hire them, borrow them, to help out in a task gigantic as that.

I hope I can make a little dent on it. If I can, I think all of us will benefit by it. Anything that makes easier traffic control provides for the handling of more traffic, and that is what we have to do these years. The part of business in it is plain, but don't regard my function as being that of any kind of a czar; I don't like czars, and business does not like them either. But I think many can understand if they have been in these fields, and many have, that we should eliminate, if we can, overlapping jurisdictions, try and bring about some kind of a coordinated policy with, say in transportation, regard to the field of tourism. I think tourism as an industry, would develop greatly from an effort to view our means of transportation in that manner.

So I hope very sincerely that I'm not on the wrong track; that somehow or other I can make a little dent, and if anyone sees any good coming out of it, just give me a little push and help me along.

***An address by Mr. Landis before the third annual mid-winter conference of the Advertising Federation of America, New York City.**

Chicago Analysts Schedule Forums

CHICAGO, Ill.—On March 2 the Investment Analysts Society of Chicago will hold a forum on economic methods at the Midland Hotel. Speakers will be Robert P. Mayo, Continental Illinois National Bank and Trust Co., and Beryl W. Sprinkel, Harris Trust and Savings Bank.

On March 9 a special Midwest Forum will be held at the Bismarck Hotel (tariff $8 for members until March 3, $9.50 thereafter; non members, $9.50).

Programmed for the Midwest Forum will be:

"Investing in New Areas of Science," Gen. George F. Doriot, American Research and Development Corp., speaker.

"Subscription Television," Joseph S. Wright, Zenith Radio Corp., and T. F. O'Neil, RKO General, Inc., speakers.

"Leisure Time Industry," B. E. Bensinger, Brunswick Corp., Paul C. Williams, O. M. Scott & Sons, and W. C. Scott, Outboard Marine Corp., speakers.

"Computer Industry," William C. Norris, Control Data Corp., Herbert W. Robinson, CEIR Inc., and George W. Dick, RCA, speakers.

"Book Publishing," John G. Powers, Prentice Hall, Inc., Bailey K. Howard, Field Enterprises Education Corp., and Bennett Cerf, Random House, Inc., speakers.

Downtown 1st Fri. Group to Hear

Rt. Rev. Msgr. **Bela Varga, Canon** and **Archdean of the Diocese of Veszprem, Hungary, and the last** elected **President of the Hungarian Parliament, will be guest speaker at a dinner meeting of** The Downtown **First Friday** Group to be held **Thursday, March** 2 at 6 p.m. at the **Savarin Restaurant, 120 Broadway, New York** City, according to an **announcement** by **Albert J. Milloy, First Boston Corporation, Chairman of** the **Arrangements Committee.**

Rt. Rev. Msgr. **Henry J. Gebhard**, pastor of **Our Lady of the** Rosary, **Manhattan, is moderator** of the group which has been meeting for over 24 years. Charles Coleman, De Coppet & Doremus, is in charge of reservations for the dinner.

Nat'l Securities Names Two V.-Ps.

Two west coast representatives, Ronald K. Adams and John W. O'Neill, have been elected resident vice-presidents of National Securities & Research Corporation.

Mr. Adams represents the corporation in Oregon and Washington.

Mr. O'Neill represents National in northern California and Nevada.

Sterling at a Discount

By Paul Einzig

Taking a critical view of sterling's prospects and the profit presently enjoyed on covered interest arbitrage, Dr. Einzig advises his country to reduce its import surplus now while the forward dollar premium is relatively narrow. Otherwise, he predicts, a run on the pound similar to 1957 and wholesale transfer of short-term capital to New York will occur if the trade deficit continues at its present rate. The economist concludes Britain cannot now afford an expansionary policy, nor its wage-cost spiral and relaxed restrictions on instalment buying.

LONDON, Eng.—Ever since the announcement of President Kennedy's measures for the defense of the dollar, sterling has been inclined to be weak and has been for some time under par. Conceivably its discount would be even wider but for some official support. Even though the presence of official intervention has not been discernible, the market takes it for granted nowadays that the official policy is to keep the exchange rate as close to the parity of $2.80 as possible. The authorities usually buy dollars whenever the market rate rises slightly above par and sells dollars whenever it declines a fraction below par. Whether they are actually doing so in the present instance it is impossible to say.

Covered Interest Arbitrage Profit

It seems probable that the buying pressure on dollars has been entirely due to repatriation of uncovered funds by holders, American or foreign who bought sterling last year in anticipation of a dollar devaluation. There is no inducement to repatriate covered balances, for the New York-London interest differential is still wider than the premium on forward dollars which at the time of writing is just over 1% per annum. There is, therefore, still a profit on covered interest arbitrage. The bulk of the funds transferred from New York to London last year has been covered by forward purchases of dollars. They represent outward arbitrage and not speculation against the dollar. Such speculation assumed the form of purchases of gold, Swiss francs and D. marks and not of sterling because it was widely believed that in case of a dollar devaluation sterling would be devalued simultaneously.

A strengthening of the confidence in the dollar would tend to widen the premium on forward dollars. This would mean that the maintenance of covered funds in London might cease to be profitable. When that moment arrives the foreign exchange market would witness an exodus of arbitrage funds from London to New York. The present weakness of sterling is negligible compared with the weakness which would develop when that situation arises. Britain would then suffer a heavy loss of gold unless the outflow is prevented by a widening of the interest differential through an increase of the British Bank rate. For the time being, however, sterling and the British gold reserve are protected by the relative narrowness of the premium on the forward dollar.

Even in the absence of a change in the forward rate a revival of business in the United States would cause some repatriations of covered funds in London, because they would be needed nearer home and they would be able to earn a better yield in domestic loans. Although such a development would not be so spectacular as an exodus of funds through a widening of the forward premium, in the course of a few months it might result in a serious drain on the British gold reserve.

Britain Must Cut Its Import Surplus

It is of great importance that the British authorities should take full advantage of the breathing space provided by the temporary protection of sterling through the relative narrowness of the forward dollar premium, and adopt effective measures to correct the balance of payments position. Should the trade deficit continue to run at a rate comparable to its present figures, wholesale transfers of short-term capital to New York might easily result in a run on the pound similar to that of 1957. If, within the next few months Britain should succeed in drastically reducing the import surplus, if not eliminating it altogether, an outflow of gold through withdrawals of arbitrage funds could be viewed with comparative equanimity. Even though some of the gold obtained in connection with the influx of these arbitrage funds has been spent on the import surpluses or has been invested abroad, the gold reserve, together with the drawing rights at the International Monetary Fund would enable the British authorities to face the pressure.

In the circumstances it would be short-sighted and irresponsible to lower the bank rate. To do so would further stimulate excessive consumer demand and would further encourage wage demands. It would mean that when arbitrage funds come to be transferred to New York the bank rate would have to be raised once more to crisis level as in 1957. The ill-advised decision to relax restrictions on installment buying has already resulted in an increase in automobile production and a return of longer working hours. This means that hopes for a release of manpower engaged in that industry have to be abandoned.

Pressure for higher wages is on the increase. The difficulty is that those industries in which the wages bill represents a small percentage of the cost of production can well afford to concede wage increases and other industries which are not so favorably placed feel impelled to follow their lead to some extent. Yet unless a halt is called to the wage-cost spiral and the increase of consumer purchasing power is checked, it is difficult to see how the balance of payments deficit can be reduced materially.

The gravity of the situation that would arise if an adverse balance of payments should continue to run at a high level at a time when there is an outflow of gold also through large-scale withdrawal of arbitrage funds, does not seem to have been adequately realized. Hence the agitation in favor of an expansionary policy which Britain can ill afford in existing circumstances.

White & Company To Form Corp.

ST. LOUIS, Mo. — White & Company, Incorporated, members of the New York Stock Exchange, will be formed as of March 9. Offices will be located at 506 Olive Street. Officers of the new corporation will be Edward A. White, President, who will acquire a membership in the New York Stock Exchange; Julian M. White, Jr., Secretary - Treasurer and Hiram Neuwoehner, Vice-President. All are officers of White & Company, members of the Midwest Stock Exchange.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Southern California Water Company

Southern California Water, with annual revenues of about $7 million, supplies water to 112,000 customers in about 25 communities of Imperial, Los Angeles, Orange, Sacramento, San Bernardino and Ventura counties. Service areas extend from Sacramento southerly more than 500 miles to a point near the Mexican Border. The largest service areas are Los Angeles County and adjacent Orange County, where 84% of the company's customers are located. The company also sells electricity, (purchased from California Electric Power) to 4,396 customers in San Bernardino County; and operates an ice plant at Barstow, the output of which is sold principally to Atchison, Topeka & Santa Fe Railway. Water sales account for about 94% of revenues, electricity 6% and ice less than 1%. Water revenues are about 85% residential, 8% industrial and 7% municipal, etc.

Southern California, where the largest part of the company's service areas are located, accounts for almost 64% of the state's population. The population growth rate in Southern California at the present time is approximately 1,000 persons per day, and this influx of population is expected to continue. The postwar pattern of growth started in Los Angeles County and then moved to Orange County. A large increase in population in the Ventura County area immediately north of Los Angeles County is now anticipated. Heretofore growth in this section was retarded because of lack of water but this problem has now been solved by the annexation to the Metropolitan Water District of two large southern Ventura County districts, with more expected to follow. Facilities to deliver Colorado River water in Ventura County should be completed in the next few years.

The problem of water supply in Southern California has received a good deal of publicity in recent years, but in spite of an extended period of below-normal rainfall, adequate water supplies have been developed and service has never been rationed or restricted by the company. Huge aqueducts have been built—the Owens Valley and Metropolitan Water District—the latter being completed in 1960. The Metropolitan can now deliver a billion gallons of Colorado River water daily, more than is now needed. It does not serve individual users, but acts as a wholesale agency for both public and private utilities. The company purchased about 28% of its water supply from Metropolitan last year, with the remainder produced from underground basins. The present system is expected to prove adequate over the next decade, by which time the huge Feather River Project—a 600-mile aqueduct system—is expected to be completed to southern California.

The company's sales have shown rapid growth—from $2.4 million in 1948 to about $7 million in 1960. The company has acquired some 15 water properties since the end of the war, and has undertaken the management of two municipal systems under contract. Sale of its properties within the city of Los Angeles to the City's Department of Water & Power was made in 1951, and there have been preliminary negotiations for the sale of the Sacramento system to that city, but this sale appears to be three to five years off. In only one case did the issue of a forced sale go to an election and this was decisively defeated.

There are over 450 regulated private water utilities in the State, many of which are in Southern California, and the company anticipates that it will be able to acquire many of these small properties. The owners and operators of these utilities are faced with increasing operating costs and inability to attract new capital, hence many of them may be forced to seek purchasers.

According to President Walsh, the fact that the company has been able to maintain an uptrend in earnings and dividends during the inflationary postwar period is due in large measure to "keeping on top of the rate situation." Rate adjustments have to be made separately in each of the company's 16 operating districts, and since the middle of 1949 there have been 38 decisions giving the company additional revenues of over $2 million. The last of the 1960 rate applications will probably be decided within the next few weeks. Current decisions allow the company a rate of return of 6½% on an average rate base, with some special concessions, such as the principle of normalizing water sales so as to eliminate weather fluctuations to a considerable degree—a benefit during the past two dry years. The company does not plan to use accelerated depreciation for Federal income taxes.

The company's 1961 construction budget will approximate $2.4 million. No permanent financing this year will be necessary since bank credits will be extended. The next permanent financing will probably be in mid-1962 when some $2 million securities may be sold. Over the past decade an equity ratio of about 30% to 33% has been maintained and this will probably continue. Any conversion of the convertible notes, debentures and preferred stock will, of course, improve the equity ratio.

Share earnings and dividends have shown an impressive record of growth following 1952 (earnings were irregular during 1948-52). 1961 earnings have been forecast by President Walsh (in a recent talk before the New York Society of Security Analysts) at $1.57 compared with $1.51 in 1960, $1.34 in 1959 and $1.20 in 1958. Thus share earnings will more than double in the decade ending this year. However, it must be recognized that future earnings may be subject to a retarding factor if there are any important conversions of the various convertible issues.

The company has paid continuous dividends since its inception in 1929, and in each of the last eight years (including 1961) the dividend rate has been increased.

The stock has been quoted recently in the over-counter market around 28 to yield 3.9%. The price-earnings ratio is 18.5.

Blue Ridge Appoints

The Blue Ridge Mutual Fund, Inc. has announced that James H. Stebbins has been elected a Director.

Mr. Stebbins retired from W. R. Grace & Co. last year as Executive Vice-President in charge of Grace's Latin American operations. He is currently a consultant to several national and international organizations in the fields of foreign trade and foreign policy.

Automatic Retailers Of America, Inc.

By Dr. Ira U. Cobleigh, Enterprise Economist

A swift review of one of the fastest growing companies in a burgeoning industry.

Automation is a favorite word among investors today. It carries almost as much market magic as "electronics." Most automation, however, is thought of in relation to industrial production, data processing and recording, accounting and communication. Many of us have not fully appreciated the phenomenal advance of automation in the field of retail merchandising. For example, 16% of all cigarettes sold, 20% of all candy bars, and 25% of all soft drinks are now sold by vending machines—and these percentages are increasing. Automatic vending, which accounted for but $20 million in total sales in 1925, now runs to well over $2½ billion annually. The historical growth rate in this industry is about 11% annually.

Five factors are mainly responsible for this remarkable growth: (1) the perennial increases in the price of labor, (2) the technological advances in robot retailing equipment, (3) the myriad of strategic new locations constantly beckoning, (4) the ever widening list of functionally packaged merchandise that can be sold by machines, and (5) the fact that "the store" is open and doing business 24 hours a day, and seven days a week. This type of merchant is singularly insulated from the Wage and Hour Act. Quite recently, too, the perfection of machines than can change paper money (and blow the horn on counterfeits) opens up a whole new retail field for higher priced items. Next thing you know, you'll put in a $1,000 bill and out will come a compact car! Temperature is no barrier—you can get a hot drink or a hot meal or ice cream and ice cubes just by putting coins in a slot.

While there are a number of publicly owned companies among the 150 manufacturers of vending machines, actual operation of the units has been spread out among over 6,300 operators. Over two-thirds of these employ three persons or less. The trend, now, however, is powerfully toward consolidation of these retail outlets into larger geographically diversified corporate enterprises, and the leader in implementing this trend is undoubtedly Automatic Retailers of America Inc., our topic for today.

Rapid Expansion

Automatic Retailers of America, Inc. was incorporated in February 1959, as Davidson Automatic Merchandising Co. to carry on and develop the vending machine business started in 1936 by Mr. Davre J. Davidson. The new company was doing, at the time, an annual business of around $15 million, confining its operations to Southern California. Broad geographic expansion of territory served was achieved by acquisition, during 1959, of Automatic Merchandising Co., operating in Illinois, Indiana, Iowa, Michigan and Wisconsin, and of Howard Vending Service, Inc., operating in Indiana. In December, 1959, the corporate name was changed to the present one, and in February 1960 the first public security offering to Automatic Retailers of America, Inc., was made—120,000 shares of common at 16⅝. The offering was extremely well received and, in a year's time, the stock, after a 2-for-1 split, sells today around 41½ (equal to 83 on the original issue).

Although the company is not yet widely known among investors, this early enthusiasm of ARA common reflects rather accurately the dynamic pace of company growth. This growth is derived both from expanded sales and by an exceedingly aggressive acquisition program. For example, during 1960, 18 companies were acquired. In most cases these companies were acquired through an offer of ARA common in exchange. This program naturally increases the outstanding amount of ARA common. This has been done, however, without dilution of equity since in most cases the shares of companies acquired have sold at much lower price/earning ratios than ARA common.

National Stature

The results of this well planned development program are most impressive. For the fiscal year ended 9/30/59 gross income was $24,811,000. For 1960 the figure was around $34 million, and for the year ending 9/30/61 estimated total revenues have been projected at over $70 million. Thus in less than two year's time ARA has moved from being a regional enterprise in California, to a burgeoning corporation of national stature. Today ARA operates in 17 states and its sales are exceeded by only one other company in the business.

The principal fixed assets of a retail vending corporation are of course the machines. ARA owns over 30,000 of them. It does not manufacture them, but buys from others. New machines for an ever widening list of retail items are steadily coming on the market. ARA is constantly looking over these new models and testing them for efficiency of operation, minimum maintenance requirements and lowest operating costs. In the selection of merchandise to be machine-sold ARA stresses nationally advertised brands so that sale resistance, due to unfamiliarity with the product, will not be generated at the coin machine. Except in the case of bulk goods, certain soft drink syrups, and the merchandising of sandwiches, hot foods and drinks, ARA does no processing, as merchandise is purchased already packaged for vending machine sale.

ARA has specialized in providing complete vending machine services to industrial plants. This has included everything from sale of soft drinks, cigarettes, and candy, to the provision of complete automatic cafeterias for in-plant dining. ARA industrial customers (over 400) comprise an elite list, including Ford, General Motors, Chrysler, American Motors, Lockheed, Douglas, Westinghouse, Montgomery Ward, etc., plus hospitals, airports and universities. For fiscal 1959 industrial vending machine business produced about 75% of sales for ARA. The company now operates well over 100 automatic cafeterias.

Eager Management

This unusual breadth and growth in corporate stature is importantly due to a young, eager and extremely competent management echelon. Mr. Davre J. Davidson, President, and Mr. Henry R. Davidson, Executive Vice-President, founded and developed the predecessor enterprises. Mr. William S. Fishman and Mr. J. R. Howard, who were recently elected to the Board, are able, experienced and highly respected executives in the field. A number of the senior officials of ARA have been active in the management of the trade association for the industry, National Automatic Merchandising Association.

Investors, seeking an entry into the vending machine industry can find considerable merit in ARA common. For the past five years per share earnings have risen at the rate of 30% annually. While the outstanding amount of common has risen substantially due to offering shares for acquisitions, and the recent 2-for-1 split, based on 1,150,000 shares outstanding, here's a rough outline of earning power. For fiscal year ending Sept. 30 we would project around $2 a share net and a cash flow of around $5. This compares with about $1.30 per share net for 1960. For the longer range consider how much ARA might earn on annual sales of above $200 million, which it may reach within three years.

When you look about the stock market and see a whole bunch of tired companies fighting a squeeze in profit margins and trying to sustain earning power on an over expanded plant, it's refreshing to look at a driving company such as Automatic Retailers of America, Inc. where every move seems to be a forward one, and earning power is in a dynamic uptrend.

Whereas, up to now, the main investor accent in this business has been on the companies that manufacture the machines, it's time for the future of the actual merchandising companies to be more widely considered and appraised. This type of business is quite depression resistant; it's an all cash business. New locations alone could represent a vast new expansion. Department stores, grocery stores, hospitals, public institutions, gas stations, motels, hotels, bowling alleys, apartment houses, all offer attractive and profitable sites for rapid robot retailing. If this business is going to continue to go and grow then ARA common stock deserves perhaps your further investigation. The stock is traded on the Over-the-Counter market.

Paine, Webber To Admit Partner

On March 9, Alexander J. McCabe will acquire a membership in the New York Stock Exchange, and will become a partner in Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York Stock Exchange.

With Thomas, Williams

Warren M. Johns has become connected with the firm of Thomas, Williams & Lee, Inc., 80 Wall Street, New York City, as a registered representative.

1961 Investment-Wise

By A. Hamilton Bolton,* *President, Bolton, Tremblay & Company, Investment Consultants, Montreal, Canada, and First Vice-President, UBS Fund of Canada, Ltd.*

Mr. Bolton is certain we are on the verge of an important further extension of the cyclical bull market which began in 1958. He sees nothing in the credit sector to suggest that the postwar boom is over and that it couldn't last some years yet. Author criticizes the Dow Theorists whom he believes have no basis for a bearish view; and stresses the importance of timing and the unknown as against dependence on value. After predicting 1961 promises a great improvement marketwise over 1960, the writer turns to Canada's outlook and similarly sees there a better year than last year.

In any consideration of what lies ahead of us investment-wise it is undoubtedly appropriate to try and set the scene in such a way that the maximum possible perspective is gained. It is of course rather usual these days to hear the well-worn phrases such as "the postwar boom is over, our wants are satisfied, we now therefore face a serious readjustment period." There is of course some truth in this, but I can recall that this has really been the battle-cry of analysts in each period of moderate investment confusion in the postwar period. Thus it was that in 1953 for instance much thought was given to the *impossibility* of mounting a great stock market or business boom at that time. Or again surely those who are mentally honest will agree that it was generally thought in the spring of 1958 that it was *impossible* at that time to mount a further major stock market advance. Yet in each case a new and somewhat unexplainable leg was added to the tremendous postwar investment boom.

A. Hamilton Bolton

In view of the postwar history, and in view particularly of the fact that time after time investment men have said that it was *impossible*, I believe it will be well to look into this question of *Perspective* to study its implications and certainly not to accept the normal clichés which are so easy to come by. I refer of course to the following sorts of clichés which permeate much of today's investment literature.

(1) Postwar demands and pipelines are filled.

(2) The market will be selective.

(3) It is impossible to push up price-earnings ratios any more, etc.

Surely, the postwar experience of wants and demands *not* being filled and pipelines *not* being clogged indefinitely ought to give us pause. Do we really know in traditional economics when these things happen or are we simply guessing?

Selectivity Is Not a New Idea

Or again, the cry that the market will be selective needs to be taken with a grain of salt as an argument. *It always has been.* I would like to quote briefly from an investment report I came across the other day.

"In pre-war days, when the market moved up or down as an integrated whole, the trader who went simultaneously long of one stock and short of another was looked upon as feeble-minded. But, with the highly individualistic type of market we have been experiencing during the past few years, hedging operations are frequently not only profitable, but an excellent method of diversification and a safeguard against unexpected reversals in the general market." (The Business of Trading in Stocks by John Durant.)

Now this sounds awfully like the stuff that we've been hearing for years. It was written however in 1927, and the war referred to was 1914-18 not 1939-45. To each generation, simply because history is considered in terms of an average such as the Dow Jones Industrials, and not easily in terms of individual stock movements, it appears that yesterday's stock trends were unselective, whereas today's, as everybody knows, are highly selective.

Thus the cry goes up that this time the market will be really selective. I reiterate, it always has been, and the selectivity of the market in 1953-56 was certainly as great as that of 1958-60, and will certainly be as great again as the next upward cycle, whenever that may be.

Perspective then needs a great deal of thinking about. It cannot be come by, except after a great deal of study, and it requires a recognition of a philosophy of investment which says in effect *anything is possible.* Those who close their eyes to this will inevitably make serious investment errors. Those who keep an open mind will at least be able to be flexible, to change sides quickly if they find their analysis incorrect, to get back into the mainstream if a new wind appears.

Values vs. Timing

I venture this thought: those who depend purely on security analysis on the theory that *value* is all, and *timing* is unimportant are in for some extremely stormy periods in the next few years. When *values* were great as in 1942-43, again in 1947-50, it is true that buying values almost inevitably led to good investment results. Today by any standards *values* are hard to find.

I will make a further prediction, which incidentally in the last year has become tangibly realized in certain areas: the idea that you can buy a so-called growth stock by a formula based on the discount value of all future dividends, or some such other gimmick which has become now the *only* basis upon which many security salesmen can hang their hats, and that this formula will skate people onside, is in my opinion *absolutely false.* And its falsity is very simply due to the fact that the *unknown* at any time is far greater than the *known*, in a ratio perhaps as high as 10 to 1.

Think through the implications of this staatement. Check it with the varied investment history of the last 40 years. Consider it in terms of the great depression, the 1937 boom and collapse, the war, the postwar reconstruction, Korea, etc. And remember always the importance of the *unknown.* At this very moment the seeds, unbeknownst to all of us, are being sown of tomorrow's economic weather in the fields not only of markets, business and economics, but in the more intangible fields of geopolitics. I repeat: the unknown is far more important than the known.

General Conclusions

I would now like to get down to the main body of my thinking at this time. I pointed out my position with regard to *perspective.* We need *guideposts.* Further we need tried and true guideposts, not simply seat-of-the-pants opportunism. We want to be buying stocks not necessarily when prices are low (because this is purely relative) but when the economics of the situation give us clear-cut clues that the future trend of stock prices will be favorable.

Similarly, we need guideposts to tell us when we are entering dangerous areas of over-optimsm, when we should *on general principles* cut back on our commitments regardless of how glowing the local investment atmosphere may be.

Where can we wind such guideposts?

Easy Money Stimulates Business

Frankly in the whole world of economics, I have fould only one really reliable area for constant analysis and that is the study of *money and credit.* It would take a great deal of time to prove (if I could) that money and credit is predominant in the economic world. Let me simply state that the whole economy is carried on in money, that when money becomes tight a slowdown occurs, —after a time—that easy money tends to stimulate business but that what is really important is a week-to-week or month-to-month analysis of what people are *doing* with their money, rather than what they are saying they are going to do.

Let me give my conclusions now on what the study of money and credit suggests today. These views do *not* generally agree with the current thought that we are running out of money. (Incidentally bankers have been of this view since 1955-56.) They rather support the view that given good money and credit management, the postwar boom can well continue possibly for several years, and certainly for a year or two.

Let me state also that I am fully cognizant of the so-called gold problem. I think given astute political leadership that it can be solved elegantly.

The longer term outlook is certainly clouded. There is a tendency now however in the United States toward *self-flagellation.* Everybody tells us how our costs are non-supportable in the business world. Suddenly it appears we have become *have-nots!* As my partner says: "It's good for a dog to have fleas, it makes him realize he is a dog!"

From the secular point of view then, my general theme is that we are still in a basically expanding money and credit environment. There are certain technical factors such as the "gold clause" which may arise to harass us, but basically, given decent monetary management, we are still in a big forward-moving economic atmosphere.

Cyclically however we are in a different position. And it is this cyclical thing that is highly important from the stock market point of view.

The general economic view, as I read the papers, is that the present "recession" will end in the second half of 1961. I believe that is *far too pessimistic.* The economists who are making these predictions were also in early 1960 quite optimistic about 1960. This upturn theory in second half of 1961 has become too accepted. As my friend Humphrey Neill of Saxtons River would say: "Don't accept predictions on economics when views approach the 100% mark." My own view, *based solely on money and credit,* is that the current baby recession will end in the first quarter of 1961.

The stock market has already probably bottomed in anticipation, although I am prepared to see some further temporary weaknesses in March 1961, after the recent run-up in prices.

To be more specific, the cyclical bull market which began in the spring of 1958 is still intact, and we should expect a resumption of advancing stock prices in 1961, with the fall of 1960 as probably the low ebb for some time to come.

In other words, it is my guess that (a) we have not yet reached the peak of the postwar bull market, and (b) we are on the verge of what could be an important further extension of the cyclical bull market which began in 1958.

* * *

Dow Theory

I think we are in *an in-between phase* in the technical market juncture. One's point of view depends a great deal on where one believes the market is. For instance assuming one pays no attention to Money and Credit and is a Dow Theorist, the Dow Theorist today has absolutely no basis upon which to build other than a bear case. Even if he admits the presence of an intermediate upturn, he has no bench marks to help him *anticipate* a new bull market. Thus he has no long-term perspective other than the action of the averages themselves. Having got a *major bear signal* in the spring of 1960, reconfirmed in the fall, he assumes a major downward trend and awaits a long and complicated set of directional changes each of which has to be confirmed and reconfirmed by two extremely imperfect averages known as the Dow Jones Industrials and the Dow Jones Rails.

Some modern Dow Theorists profess to the 3-phase technique. That is the first two bear signals are overlooked and only the third (presumably representing the great speculative phase) becomes a valid major bear market signal. No two theorists however seem to agree. At one moment these theorists insist that price and price only is the real clue. On the other hand, when hard pressed they carefully (and thoughtfully) bring in a lot of supporting data such as *market breadth, volume, odd-lots, etc.* to bolster their position. The theory that the market place (and price) are the final determinants of all known values is set aside in favor of more mundane and possibly more erudite techniques.

Anyway, no matter how you look at it, Dow Theorists insist we are in a *major bear market,* and that the best we can expect is an *intermediate uptrend,* not to be trusted any further than one can throw a piano. (Shades of 1958!)

What is generally overlooked is that Dow Theory (and here I refer to the specific technique of insisting on new lows in averages or new highs) cannot possibly have any forecasting value. *All it states is what has happened,* and it has no message at all as to the future. Once this is understood the veil of forecasting by Dow Theory is cast aside. In Dow's day and even up to the point that Hamilton wrote the Stock Market Barometer in 1922, the character of the banking system made some sense out of Dow Theory when Dow Theory was used to predict business and not the market itself. But since then, I'm inclined to consider the whole matter a bit

of a shambles, despite *some* notable successes in 1929 and 1937.

Conclusion

The *market is a law unto itself*. And yet there are only rare occasions on which the market has refused to acknowledge the sovereignty of money and credit.

My own formula for over-all success is simply to give much more attention to money and credit and thereafter to place a lot of attention upon market conditions. This means that when the economic and credit background is strong, do not be fooled by what looks like a weak market condition. But when the credit environment is weak, be prepared to suspect any evidence of market weakness as likely to lead to major trouble ahead.

Summary

Let me quickly summarize the general picture as I see it.

First: There is no evidence yet that the American banking system has run out of money. The situation is becoming of course more critical and much will depend on whether the 25% gold clause can be set aside. We may hope that international cooperation will allow the elimination of the 25% gold clause which frankly serves no useful purpose.

Secondly: Within the broadly expanding postwar credit picture which is still with us, and barring a monetary crisis due primarily to the gold clause, the *cyclical* pattern is now definitely expanding in recent months. This pattern is clearly visible from (a) a consideration of the relationship of bank debits to loans, but also from (b) the expanding rate of change of the money supply.

Thirdly: The market condition itself is at least neutral and at best on balance quite favorable, and this comes after 18 months of market consolidation.

Finally: Given this combination of factors, economic and market, I feel that 1961 will be great improvement market-wise over 1960.

The Canadian Outlook

I cannot end this paper without a word or two on the Canadian economy. The average American has heard so much lately about the poor state of the Canadian economy that I would like to present some facts.

Due primarily to the creation of *nonresident owned* funds in 1954-56, the Canadian market was denuded of hundreds of millions of dollars of stocks. Then came the end of the capital boom in 1956-57. The rate of accumulation died out, and in 1959 and 1960 these funds disaccumulated. I read some figures lately to the effect the Canadian market in 1960 absorbed some $60 million of stocks. However most of this was in the first six-eight months.

Since August, the Canadian market has been rising fairly steadily and the Toronto Exchange Industrial Average is now at the same level as last year whereas the Dow-Jones Industrial Average is down about 8%. Is this a flash in the pan?

My belief is *no*. Using the same methods of technique with Canadian banking figures we see that the Canadian money supply has been advancing rapidly in recent months and is actually $600 million higher than a year ago whereas the U. S. Money Supply is only just even with last year. Thus the same pattern of money supply has appeared in Canada as in the U. S.

Now let us look at Bank Loans. A year ago bank loans (using early December figures) were 17% ahead of the year before. Now they are only 2% ahead. Bank debits on the other hand in the latest three months were running 10% ahead of 1959.

Further there are also some important changes in recent legislation which make it now far more favorable for Canadian investment funds and pension funds to be invested in Canadian equities. These will have a tremendous long-run impact on the Canadian market which currently appears in many areas to be better valued than the U. S. market.

The Canadian economy has had a lot of absorbing to do in the 1956-60 period. My conclusions are that with credit trends developing the way they are, 1961 should be a better year investment-wise than 1960.

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*From a talk by Mr. Bolton before the Boston Investment Club, Boston, Mass.

John J. Meyers Forms Own Inv. Co.

John J. Meyers, Jr. and William T. Meyers have formed John J. Meyers & Co. with offices at 30 Broad Street, New York City, to

John J. Meyers, Jr.

act as dealers in investment securities.

John J. Meyers was formerly manager of the trading department of Gordon Graves & Co., with which William T. Meyers was also associated.

Maine Dealers Ass'n Elects

PORTLAND, Me.—At the annual meeting of the Maine Investment Dealers Association the following officers and directors elected for 1961 were:

President: Gilbert M. Elliott, Jr., The State Investment Company, Portland, Maine.

Secretary - Treasurer: Mark J. Crowley, H. M. Payson & Company, Portland, Maine.

Directors: Walter T. Burns, Burns, Barron & Company, Portland, Maine (three years); and Gilman L. Arnold, Jr., President, Maine Securities Company, Portland, Maine (one year).

The third director is Richard P. Knight, Jones, Holman & Company of Portland, Maine, with two years remaining in his term of office.

The association has appointed an Advisory Committee to work with the Bank Commissioner of the State of Maine on matters pertaining to the investment industry in the state.

The Bank Commissioner's Advisory Committee will consist of the President of Maine Investment Dealers Association—his term to coincide with his presidency—and four additional members to be appointed for a term of four years by the President with the advice and consent of his Executive Committee.

Named to serve with President Elliott were:

Harold E. Verrill, Hornblower & Weeks, Portland; E. Richard Drummond, Pierce, White & Drummond, Inc., Bangor; Edward L. Clark, Bartlett & Clark, Portland, and Robert G. Wade, Morton, Hall & Rounds, Inc., Lewiston.

King, Nelson Branch

SAN ANTONIO, Texas — King, Nelson & Calvert, Inc. has opened a branch office in the Alamo National Building under the management of Jonathan C. Calvert.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

President Kennedy says the budget this year will show about a $1.5 billion deficit as compared with Mr. Eisenhower's modest surplus projection. Next year's budget, according to Mr. Kennedy, will show about the same deficit, with the expected pick up in business.

He must be expecting a tremendous pick-up because the table of costs for his program so far adds up about as follows:

Unemployment compensation extension: almost $1 billion.

Expanded social security benefits: $1 billion.

Aid for distressed areas: $390,000,000.

Aid to education: $5.6 billion, extended over five years.

Health insurance under social security: $1.5 billion.

Medical facilities and training: $195 million.

The list comes to $5.2 billion.

Figures for spending costs for the other 10 measures on the President's priority list of must spending are difficult to obtain readily or to estimate. But they obviously represent more potential spending.

Among the items, not on the priority list but recommended to Congress include: Defense spending increases $2 billion; housing increases $1.5 billion; urban renewal $650 million; food stamp program $250 million.

It looks as though the total will reach the $13 or $18 billion figure which Mr. Nixon predicted they would.

* * *

News out of London indicate that the British Foreign Office at the next session of the United Nations will urge the unseating of Nationalist China in favor of Red China.

The British government hopes it will get a more sympathetic response from the Kennedy Administration than it did from Eisenhower.

* * *

Senator Goldwater has come up with a novel idea for aid to education. He has introduced a bill providing that each taxpayer be allowed to deduct from his Federal income tax $100 for taxes paid to his local government for schools. In this way he could permit the local authorities to raise taxes for school purposes and deduct $100 of it from his Federal tax bill. Also, Senator Goldwater would permit taxpayers in the lower and middle brackets to deduct $2,000 a year for children sent to college.

It is estimated that the taxpayers would derive benefits totalling $3 or $4 billion a year, making more than ample funds available at the local level for what he describes as genuine school requirements.

The Senator points out that the Federal Government would be completely excluded from the program, thereby eliminating the danger of Federal control over education. And he adds that "there would be no costly expansion of Federal bureaucracy or a Washington 'brokerage' fee attached to the dollar spent for education needs."

His bill, says Senator Goldwater, "would lead to a good look at the Federal budget and the discovery of many items of less importance, even no importance, which could be readily eliminated with no ill effects for the public welfare."

* * *

The National Labor Relations Board last week ruled that Indiana's right-to-work law prevents unions from using the Taft-Hartley law in their drive for "agency" shops in that state. The board sustained General Motors in its refusal to include in its contract with the United Automobile Workers a provision requiring non-union workers to pay sums equal to initiation fees and dues. This is considered to be a setback to labor union officials drive to nullify right-to-work laws throughout the country. But it was only by a 3-to-2 decision. One of the members will retire this month and will be succeeded by a Kennedy appointee, Frank McCulloch, pro-labor, former secretary to Senator Paul Douglas. So it may be that the decision will be reversed.

National Exch. Adds 15 Members

The National Stock Exchange has added the names of 15 new members to its rolls. This brings total membership in the new exchange to 60.

The National Stock Exchange, which is slated to open trading in downtown Manhattan this spring, received its franchise as a registered national securities exchange last Aug. 16 from the Securities & Exchange Commission.

Forms New Eng. Brokerage

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Florence S. Mummey is engaging in a securities business from offices at 50 State Street under the firm name of New England Brokerage. Miss. Mummey was formerly with H. P. Wood Company, Inc. and prior thereto was in charge of the trading department for Keller & Co.

Vigorous Upturn After June Linked to Consumer Needs

By Dr. Arno H. Johnson, Senior Executive and Economic Director, J. Walter Thompson Company, New York City*

Activation of $40 billion consumer backlog and latent demand into insistent sales demand creates the opportunity for vigorous business recovery in second half of 1961. Buttressing his case for an economic upturn, Dr. Johnson prognosticates a more than 50% growth in the next decade reaching conservative figure of $800 billion GNP in 1971 in present-day prices. Moreover, the prospect of sizable growth for Western Europe and Japan is also traced. Business courage and vision utilizing efficient marketing effort are held necessary, however, to forestall underutilization of our productivity capacity and the toppling of an $800 billion or more economy. In short, the writer says total personal consumption in the next 10 years must increase as much as it did in the previous 30 years to keep up with the minimum estimates of production growth.

Two great nations—Japan and the United States of America—have envisioned economic goals and productivity levels for the next 10 years which must mean a very rapid expansion of living standards for their people. It is this improvement in living standards through increased productivity, and through increased utilization of productive ability, that can greatly expand both domestic markets and world trade and travel in the decade of the 1960's.

Arno H. Johnson

In the United States the anticipated expansion of productive ability to over $800 billion of Gross National Product by 1971 means the **addition** of over **$181 billion** or 55%, to personal consumption which is a measure of total standard of living of the American people.

Likewise, in Japan, the opportunity for an expansion of production to about **$74** billion of Gross National Product (26.6 trillion yen) implies the **doubling** of the standard of living of the Japanese people by the **addition** of over **$22 billion** to personal consumption.

These goals mean a total 10-year potential growth of over $203 billion in the markets for consumer goods and services in these two nations. Now, add to this the potential **growth** of another **$115 billion** of personal consumption in Western Europe by 1970 and we have the staggering potential **addition** of nearly **$320 billion** to consumer markets in these areas alone in the next 10 years—just through improvement in living standards of the great mass of our populations!

This potential expansion of living standards, along with a parallel growth in demand for industrial plant and equipment, private investment and home construction, and for government services can mean a world trade and travel boom of a size and velocity beyond anything we have experienced in the past.

What $800 Billion GNP Would Mean to Us

By 1971 the total production of goods and services in the United States should grow to over $800 billion in terms of June, 1960, prices compared with the $505 billion level in mid-1960.

$800 billion by 1971 is a conservative measure of total productive ability since it allows for a gain of only 2.4% per year in per capita productivity—a rate of gain no larger than was demonstrated since prewar. Actually, in the 20 years between 1940 and 1960, total physical production per capita (in terms of constant dollars) increased by 59% or about 2.4% per year. Bureau of the Census projections indicate a possible growth of population to 220 million by 1971 from the level of 180 million in 1960. So $800 billion of productive ability for 1971 should be looked upon as a minimum level for long-range planning. If any allowance were made for an increase in rate of improvement of per capita productivity, the productive ability 10 years from now would exceed $800 billion by a considerable amount.

There seems to be quite general agreement among economists that the United States productive ability within 10 years will grow to somewhere between $750 billion to $900 billion — but, in these economic discussions, major emphasis usually is placed on the needs of government and private investment with little recognition of the changed standard of living possible for the mass of the population, or recognition of the critical importance of **expansion of consumer markets** which must continue to utilize nearly two-thirds of total production. The whole structure of an expanded $800 billion production economy would topple if consumer markets are not expanded to utilize what can be produced. It must be remembered that U. S. Government revenues come almost wholly from taxes on corporate profits and individual incomes which are related directly to the level of consumption.

Even after allowing for a rapid three-quarters growth in government needs to $170 billion (versus $98.5 billion in the second quarter of 1960), and an expansion of private investment needs from $77.5 billion in 1960 to $120 billion by 1971, there still remains the startling conclusion that personal consumption in the United States must be expanded by at least 55% to about $510 billion if we are to match a productive ability of $800 billion.

The velocity of change in living standards of the population needed to match the most conservative estimates of future productive ability nearly staggers the imagination. To add $181 billion to the U. S. standard of living means adding, in the next **10 years**, on top of the present high level of consumption, the equivalent of the entire growth in consumption in the **320 years** from the landing of the Mayflower at Plymouth in 1620 to the best prewar year of 1940! Total consumption in 1940 was only $159 billion in terms of today's dollars.

In the **30 years** from 1929 to 1959, $175 billion was added to total personal consumption (in 1959 prices) so even talking modern times, the United States must add as much to consumption in the next **10** years as in the previous **30** years if it is to keep up with minimum estimates of production growth.

That means rapid changes in markets and in the purchasing habits and consumption desires of people. It means a rapid upgrading of standard of living concepts in all areas that represent improvement.

Population increase alone will not be sufficient to account for the higher consumption. The U. S. population increase up to 220 million by 1971 from the 1960 level of about 180 million, can contribute a little over one-third of the needed expansion in total consumption expenditures (assuming today's prices). The **remaining two-thirds** of the needed expansion in consumer markets by 1971 must come through upgrading and improvements in the per capita living standards and habits. Improvements in living standards refer not just to the durable goods which represent only 13% of personal consumption — but to all areas, of family life, including education, religion, cultural interests, health, recreation, and better diets.

It is **improvement in the standard of living** that makes markets —both domestically and internationally. History shows that the growth of world trade as well as travel is closely related to rising living standards. And potential increases in these standards in turn are related closely to **productivity** and improvements in the level of **education.** In most of the nations where freedom of initiative is allowed, there is, today, growing evidence of rapidly increasing **productivity** and rising levels of **education** of the masses of population which should encourage rapid increases in trade and travel over the next decade.

A measure of the probable velocity of this expansion in world trade can be shown by projecting, as an example, the opportunity for growth in the total market for consumer goods and services in Western Europe by 1970 as compared with the United States.

Western Europe Standard of Living Can Jump 62% by 1970—An Added Potential Market of $115 Billion

By 1970 total production of goods and services in Western Europe (Organization for European Economic Cooperation member countries combined) should grow to over $450 billion — in terms of U. S. dollars, at February 1959 prices and exchange rates This compares with a level of about $190 billion in 1950, in terms of 1959 prices.

$450 billion by 1970 is a conservative measure of the productive ability of Western Europe since it allows for no increase in the rate of gain in productivity per capita over the rate of growth actually shown between 1950 and 1959 — no allowance for the acceleration in science and technology and education which surely can be expected.

In line with this minimum level of total production in Western Europe 10 years hence, the total standard of living in O.E.E.C. member countries (total sales to consumers) can increase by 62% over present levels. There should be the equivalent of $115 billion of new sales potential to consumers from $185 billion of personal consumption now and $128 billion in 1950 to **$300 billion** 10 years from now. Rising productivity can supply the purchasing power for such changes.

The standard of living in Western Europe is expected to improve more rapidly than the U. S.—but from a lower base. Per capita consumption in 1950, in terms of 1959 prices, was $1,535 in the United States compared with $467 in Western Europe—a ratio 3.3 to 1. By 1959 this ratio had dropped to 2.8 to 1 because of the more rapid rate of improving in living standards in Western Europe. By 1970, if both the United States and Western Europe take full advantage of the opportunities for upgrading living standards, the per capita consumption level in the United States could reach $2,150 and in Western Europe $917 and the ratio will have declined to 2.3 to 1.

Japan's Goal — Doubling the Standard of Living by 1970!

With its newly discovered productive might, Japan has planned a doubling of production by 1970 to over 26 trillion yen—a growth to a Gross National Product of about $74 billion (U. S. A. equivalent at 360 yen per dollar).

Importantly, that goal means an opportunity for a very rapid expansion of living standards of the Japanese people. It means more than doubling the total **domestic** personal consumption of goods and services by the addition of about $22 billion of sales to consumers. And it means the addition of some $16 billion to the annual level of private investment, construction, and government services.

With Japan's opportunity for increased production and for improvements in living standards at a much more rapid pace than in the United States or Western Europe, the potential of developing the Japanese domestic market assumes increasing importance. Growth in the per capita consumption of goods and services in Japan can have an important influence of foreign trade and ability to compete in world markets.

The effect of improvements in productivity in the United States can be shown in the rapid increase in discretionary spending power which makes possible improvements in living standards above the bare necessity levels.

Discretionary Spending Power Potential in the United States Up 89% by 1971

An important factor in changing and expanding markets in the United States is the growth in **discretionary spending power** of the population resulting from increased productivity per capita.

A chart shows that discretionary spending power based on a 1950 standard of living concept grew 105% between 1950 and 1960. It could grow another 89% over 1960 to an impressive total of about $335 billion by 1971 if the U. S. reaches its minimum production opportunity of $800 billion and succeeds in keeping consumer prices reasonably near the present range with an index not over 127. There is a likelihood of a 41% growth in discretionary spending power in the next five years—by 1966.

Discretionary spending power is defined here as the surplus spending power over and above what would be required to supply the same per capita standard of living for the basic necessities of food, clothing, and shelter as equivalent to the **1950** actual standard of living after taking into account present prices. The discretionary spending power just since 1950 has increased from 42% of total disposable income after taxes to 50% in 1960, and by 1971 its share of the greatly increased income could grow to 60%!

That means that families moving up to better income groups could take on the greater physical consumption of many products, for example, that was found prewar in similar income groups if they desired. They could, for example, upgrade their diet and their purchase of better quality and better packaged or more convenient foods. The additional purchasing power is there even with higher prices, but the interest and desire has to be created and the mass of the population guided to the achievement of an upgraded standard of living.

Mass Millions Are Climbing the Income Ladder — Into Areas of High Consumption Potential

The rapidity with which mass millions of Americans are climbing the income ladder through increased productivity is illustrated by the breakdown of the consumer spending units by income after taxes in 1950 as contrasted with

1956 and the estimated distribution of families in 1960. The number with disposable incomes of $7,500 increased from 2.1 million in 1950 to 6.6 million in 1960, and the group from $5,000 to $7,500 increased fourfold—4.3 million to 16.2 million—and the net total above $4,000 is estimated at about 36 million in 1960 compared with about 12 million in 1950 and 26 million in 1956. That means **three times** as many families now as in 1950 with incomes above the level of $4,000 after taxes where discretion in buying can increase rapidly and where upgrading of desires and concepts of family life could expand market potentials rapidly.

With the possibility of the average total personal income per household reaching $10,000 10 years from now, the climb upward in income groups will continue to expand the opportunities for upgrading the standard of living by consumers.

Average Family Income Should Grow to $10,000 by 1971

Full utilization of productive ability creates the revenue for both consumption and government needs. $800 billion of production by 1971 should provide about $640 billion of personal income for consumers—an average of **$10,000 per household** for the 64 million households the U. S. is expected to have in 1971. This average income per family would be about 30% above the average of $7,700 in 1960.

* * *

$40 Billion Backlog of Consumer Buying Can Increase Consumption 10% in 1961-62

There now, however, is a real opportunity in the United States for a renewal of rapid improvements in living standards in 1961-62 following the 1960 slowdown in business. There has been accumulated, since 1956, a backlog of **$40 billion of consumer latent need and demand** — the growth in total personal consumption which should have taken place in the last five years to keep up with expanding productive ability. That **$40 billion** backlog of consumer demand would, in itself, be enough for a 10% expansion in consumer sales over the 1959 level of $314 billion to a possible $450 billion or more in 1961-62.

Definite easing of monetary restrictions from mid-1960 should help encourage the resumption of satisfactory increases in consumption starting sometime in 1961. Considering the eight- to 12-months lag in effect of monetary changes on ultimate demand, and the backlog of purchasing power we now have, **business in the United States could recover vigorously after the second quarter of 1961.**

But this recovery in 1961 and realization of the full potential growth of the next decade will be dependent in an important degree on the extent to which the consumer is encouraged to want and to strive for an upgraded standard of living.

* * *

The U. S. Economy Today — Opportunity for a Vigorous Recovery In Business in Second Half of '61

In summary, the United States today is in a very favorable position to build a rapid economic recovery in fiscal 1961-62, and to have better than a 50% growth in its total consumer and industrial markets in the next decade—by 1971.

An increasing velocity of change is to be anticipated over the next few years in markets and distribution. Rapid changes will take place in purchasing power, population, education, and standard of living.

It becomes increasingly evident that the consumer and his standard of living is the key to continuation of domestic growth, and to growth in world trade.

Changing the habits and desires of millions of people will require increased creativeness in marketing and intensified educational and selling effort against increased competition.

Conditions, however, are favorable for these changes by 1971. Mass millions in the United States are moving up to better income groups with greater discretionary spending power and increased ability to improve living standards. There is a trend to family life and larger families. An unusually large number of young people will reach the family-formation stage. Significant changes in educational levels can help acceptance of better living. And population shifts to urban and suburban areas will change living standards.

Consumer purchasing power late in 1960 was at an all-time high. The total personal income level of $409.5 billion in October, 1960 was $25.2 billion, or 6½% higher than in 1959, in spite of the slowdown. Disposable personal income after taxes reached $357.5 billion in the third quarter of 1960, or $19.0 billion above the level of the third quarter of 1959. At this level the total **real** purchasing power, after correction for price changes, was $54.5 billion, or 18%, above 1955. Even on a per capita basis **real** purchasing power was 8½% above 1955 which has been thought of as a boom year in sales opportunities.

At the end of 1960, the United States had a $40 billion backlog of consumer needs and latent demand which, if activated into insistent sales demand could create **a 10% increase in sales in 1961-62.** That kind of increase in sales is essential to keep up with productive ability and to hold inflation in check.

Business needs now to have the courage and vision to expand selling efforts so that the level of consumer buying can be brought back in line with the potential growth of productive ability and capacity. The present high level of consumer discretionary spending power points to the opportunity for efficient increased marketing effort to pay off in profits, as well as to aid the whole economy.

Economists in the 'sixties must recognize that they are dealing with a dynamic and expanding era of opportunity both in the United States and other free nations of the world—an era in which more and more emphasis will be on the creative type of marketing thinking that **expands total consumption**—hence expands the standard of living of the people in line with their growing productive ability.

*From an address by Dr. Johnson before the Federation of Economic Organizations, Tokyo, Japan.

Dotts Made V.-P. Of Rambo, Close

PHILADELPHIA, Pa.—The investment firm of Rambo, Close and Kerner, Inc., 1518 Locust St., has announced the election of Russell M. Dotts as a director and Vice-President of the firm.

Russell M. Dotts

Mr. Dotts, formerly Manager of the Municipal Bond Department of Rambo, Close & Kerner, has been in the investment business for 40 years. He is a member of the Municipal Bond Club of Philadelphia, past President of the Investment Traders Association of Philadelphia, and past Treasurer of the National Security Traders Assn.

Free Generating Power Is More Than A Dream

By Roger W. Babson

The future possibility of harnessing free power emanating from the universe, better and cheaper than the use of uranium, is considered by Mr. Babson in terms of A. T. & T. and other discoveries. The financial writer adds that the successful utilization of such generating power would also warn us of what potential enemies are doing, and provide knowledge of impending hurricanes and other destructive forces.

It has long been thought by scientists that the sun should some day give us free power. Unfortunately, the clouds and storms have prevented this. Furthermore, nations in different latitudes would get different amounts of sun power, and all latitudes would get varying power according to the time of year.

Harnessing Power of Gravity

I again call readers' attention to the work which the Gravity Research Foundation of New Boston, N. H., is doing in fundamental physics. By giving grants to colleges the Foundation hopes to interest students in harnessing gravity to supply free power anywhere in small units. But first it must discover a partial insulator, or absorber, of gravity.

The Foundation now has the world's best files on gravity and is giving $1,000 annual awards for the best original essays upon the subject. These essays average over 80 a year and come from the United States, Great Britain, France, Germany, and other countries.

Discoveries in Space Exploration

While the Defense Departments of the United States, Russia, Great Britain, and other countries have been spending billions on missiles, the American Telephone and Telegraph Company has been making some very important experiments. By the use of microwaves and other processes they have succeeded in sending signals through space hundreds of miles above the earth—with power waves "bounced" from one orbiting object, or man-made satellite, to another.

These experiments have aroused in me a great interest in "space travel." I am not interested in having men go to the moon or having the military attack any enemy from a hundred or more miles up in the air. I, however, am greatly interested in the work of the Telephone Company. This will first be used in sending messages and television waves. I earnestly watch the newspapers each day for such "Space News."

Powerful Electric Waves Showering the Earth

The next step will be to capture and harness the electric waves which are coming toward us every hour of every day. They cannot be shut off by clouds or storms; they fall upon all nations equally. Their power, all of which now goes to waste, is terrific. I believe that the Telephone and electric utilities will combine to concentrate these waves over all nations and give each free power. This would be far better and cheaper than the use of uranium. My use of the words "free power" refers only to the generation of electric power. Distribution systems will continue to be needed. Hence I am more bullish on electric power company securities because they may have no generating costs.

I forecast that each of the 50 largest countries in the United Nations will have its own "transformers" in the sky securing electricity from the radiation off the thousands of galaxies in the sky. For years the astronomers have known of these galaxies and of the electrical rays they are emitting; but their intensity has been known only since the "Space Age" discoveries and measurements.

I understand that the future space program will now be under the personal attention of Vice-President Lyndon Johnson. He says we may expect the landing of a planetary spacecraft in 1962; and in 1963 the safe landing of certain instruments on the moon. Our "Midas," under the direction of Dr. Wernher von Braun, now of the Huntsville Center, can be depended upon to make more new and important discoveries.

These governmental developments will primarily be to warn us of what the Russians or other potential enemies, may be doing as well as to give us knowledge of impending hurricanes and other destructive forces. Although paid for by us, they will be given freely to all nations. The next step will be the study of these electrical currents which will finally be harnessed to give each nation free power. This would do much to hasten world peace.

P. S.—In fairness to readers I should add that the nuclear fusion research with hydrogen (obtained from water or air or chemicals such as lithium) may even give free power before the harnessing of electric waves above described.

Stephen Sutton Opens

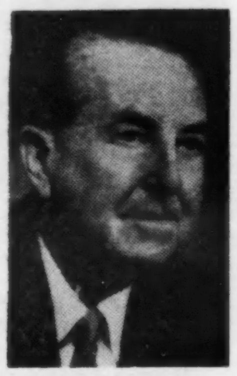
WILMINGTON, Del.—Stephen L. Sutton is engaging in a securities business from offices at 201 North Du Pont Road.

Form Associated Services

FARGO, No. Dak. — Associated Services, Inc. has been formed with offices at 514½ First Ave., North, to engage in a securities business. Gerald D. Deede is a principal.

C. V. Goodwin Joins Gorey Co.

SAN FRANCISCO, Calif.—Claire V. Goodwin, long prominent in Bay Area financial circles, has joined Walter C. Gorey & Co., Russ Building, as director of the firm's newly established industrial development division. The division will specialize in mergers, reorganization, financing and real estate development.



Claire V. Goodwin

Mr. Goodwin is a former Chairman of the Board of Lucky Stores, Inc. He was in the securities business for more than 30 years, most recently as a general partner of the firm of Walston, Hoffman & Goodwin. He was President of the Port of Oakland for six years. In 1955, he served as President of the Pacific Coast Baseball League.

F. H. L. B. Notes Offered at Par

Public offering of $139,000,000 Federal Home Loan Banks 3% non-callable consolidated notes dated March 15, 1961 and due Sept. 15, 1961 is being made today by the Federal Home Loan Board through Everett Smith, Fiscal Agent of the Home Loan Banks, and a nationwide group of securities dealers. The notes are priced at 100%.

Net proceeds from the offering, together with current funds of the Home Loan Banks, will be used to retire $252,000,000 notes maturing on March 15, 1961.

Upon completion of the offering and retirement of the March 15 maturity, outstanding indebtedness of the Home Loan Banks will have been reduced by $113,000,000 to a total of $829,075,000.

With Norris, Hirshberg

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga.—James H. Patton IV has been added to the staff of Norris & Hirschberg, Inc., C. & S. National Bank Building, members of the Midwest Stock Exchange.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

FIRSTAMERICA CORP.'s NEW CALIFORNIA STATEWIDE BANK

Since the agreement reached last September with the U. S. Justice Department to resolve the long-standing anti-trust suit, action by Firstamerica has been swift. Firstamerica's objective to turn its California Bank 1958 acquisition into a statewide operation became a reality this week. Following favorable consent by all regulatory authorities for a limited merger of First Western Bank & Trust Co. with California Bank, both majority owned by Firstamerica, shareholders have held special meetings to accomplish the limited merger. Share exchange terms were the conversion of First Western Bank shares into *United California Bank*, the new name for California Bank, share for share. The outstanding California Bank shares were exchanged for United California Bank stock on a basis of 1¼ shares of United for each share of California Bank.

Shortly after the limited consolidation approval by stockholders of the two banks, the U. S. Federal District Court dismissed the anti-trust suit. Effective Feb. 27, 1961, California Bank's 70 offices and 50 offices of First Western became United California Bank and a new First Western Bank, established with 65 offices, became operative separately on a statewide basis. Firstamerica Corp.'s **ownership has changed from 97% stock ownership in California Bank and a 76% ownership in First Western, to an 87% ownership in United California Bank.** Under merger and separation terms, **First Western Bank has agreed to pay United California Bank $12.5 million for appreciation of assets and premium in connection with acquisitions of 65 offices. Within 70 days, capital of First Western will be increased from $30 million to $38 million through a rights offering of shares in the new First Western Bank to the minority holders of stock in United California Bank.**

Firstamerica Corp. is expected to divest itself of its stock ownership in the 65 First Western branch office network over a period of two to six years. Now available for California banking customers are three statewide branch banks; Bank of America with **707 offices**, the First Western Bank and Trust Company with 65 **branch offices**, and United California Bank with 120 offices.

Speculation may again be raised regarding steps, if any, which **will be taken** by California's second largest bank, Security First **National** Bank, to move into Northern California in order to **strengthen its competitive position. Both First Western and United California are now headquartered in Los Angeles. At the end of 1960 Security First National Bank had 254 offices; 22 branches were opened during 1960 and 18 new branches in Southern California are scheduled for 1961.**

The 1960 operations of leading California banks were highly satisfactory and their stock prices continue strong. Branch openings continue to meet the rapid growth of California.

Leading California Bank Stocks

	*Adj. Bid Price Rge '61 - '59	Recent Mean Price	Indic. Div.	Yield	*Adjusted Earnings '60	'59	Earn. Gain
Bank of America	56 - 42	58	$2.10	3.6	$3.64	$3.37	8.0
Security 1st National	67 - 44	68	1.60	2.4	4.06	3.63	11.8
Wells Fargo-Am. Tr.	66 - 41	68	1.60	2.4	4.04	3.66	10.4
United California	(controlled by Firstamerica Corp.)						
Crocker - Anglo	46 - 32	44	1.40	3.2	2.98	2.49	19.7
Union Bank, L. A.	60 - 28	60	1.28	2.1	2.58	2.05	25.9
Bank of California	51 - 40	45	1.60	3.6	3.34	3.27	2.1
Citizens National Bank	52 - 26	50	1.60	3.2	2.98	2.64	12.9
First Western Bank	(controlled by Firstamerica Corp.)						
Firstamerica Corp.	33 - 21	33	0.80	2.4	---	---	---

*Adjusted for all stock dividends; 1961 payments include 10% each for Security First and Wells Fargo-Am. Tr. and 5% for Union Bank.

Bank of America reported total resources of $11,942 million at the end of 1960, a rise of 2.3%. Deposits of $10,886 million and loans of $6,699 million were up 1.7% and 1.5% respectively. Branch offices during the year were increased by 43, to 707. The quarterly cash dividend rate has been raised from 45 cents to 50 cents and a 10 cents extra was paid both in 1959 and 1960.

Security First National Bank's total resources were $3,594 million, a gain of 2.60% from 1959. Deposits advanced 2.1% to $3,284 million, while loans increased 6.1% to $1,647 million. A 10% stock dividend was paid Feb. 24, 1961.

Wells Fargo Bank American Trust Company's assets increased 4.1% to $2,700 million, while deposits of $2,449 million represented a gain of 2.7%. Loans outstanding gained 6.4% to $1,412 million. A 10% stock dividend was paid Jan. 16, 1961. Northern Counties Bank was merged in December, 1960. At the end of 1960, 125 offices were operated in Northern California. In February, stockholders authorized one million new shares for future acquisitions and stock dividends and approved the proposed merger of Pajaro Valley Bank, Watsonville (approximately $30 million in deposits).

Crocker-Anglo National Bank's total resources at the end of 1960 were $1,882 million, up 2.8% from a year ago, while total deposits increased 1.8% to $1,687 million. The quarterly cash dividend rate recently has been increased from 30 cents to 35 cents. During 1960, nine new offices were opened bringing the total to 94 at year end. An acquisition proposal by Crocker-Anglo of two San Rafael banks (with assets of about $60 million) still is pending.

Union Bank, Los Angeles, reported total resources of $739.8 million at the end of 1960, a rise of 21.9%. Deposits of $667.9 million and loans of $363.6 million were up 23% and 25.7% respectively. The bank distributed a 5% stock dividend on Jan. 16, 1961. This fast growing bank turned in one of the best operating performances among all the nation's commercial institutions.

Bank of California's combined resources were $686.9 million, a gain of 5.5% from 1959. Deposits advanced 5.9% to $611.6 million, while loans increased 1.2% to $342.5 million. One of the most unique characteristics of this bank is its ability to operate in three states—California, Oregon, and Washington.

Citizens National Bank, Los Angeles, reported total assets of $612.4 million at the end of 1960, a gain of 3.7% over 1959. Deposits of $555.5 million and loans of 294.9 million were up 3.2% and 8.7% respectively. Citizens National has 60 offices in the Southern California area. Transamerica Corp. owns more than 33% of the bank's stock in its investment portfolio.

During 1960, Firstamerica's two majority-owned California banks turned in good performances; California Bank's earnings increased 10.5% to $4.30 a share, while First Western Bank and Trust Co. reported a gain of 3.7% to $2.79. Particularly good gains were made in loans outstanding. Following the recent merger steps bank stock investors ultimately will be better able to share ownerships in the several statewide California banks.

Central States IBA Group to Meet

CHICAGO, Ill. — The Central States Group of the Investment Bankers Association of America will hold their 25th annual conference on March 15 and 16 at the Drake Hotel. Robert Meyers, Stone & Webster Securities Corporation, is in charge of reservations.

Austin J. Tobin, Executive Director of the Port of New York Authority will speak on the "Immunity of Municipal Bonds — Current Problems."

Other speakers on March 15 will be:

Robert W. Galvin, President of Motorola on "Electronics — Let's Take Stock."

Frederick W. Page, Vice-President of Tri Continental Corporation, on "Electric Utilities as Relatively Undervalued Growth Stocks."

Speakers on March 16 will be:

John G. Searle, President of G. D. Searle & Co., on "Economic Aspects of Medical Research," and Edward O. Rubin, President of Selected American Shares, Inc., on "What's Ahead in Business and Securities."

On March 17 the graduation exercises will also be held for the nineteenth class of the Central States Group Training School.

Geary Branch

LAKE FOREST, Ill. — Geary & Geary have opened a branch office at 566 Oakwood Ave. under the management of Del Geary.

Wade Opens Branch

MURFREESBORO, Tenn. — Joe Wade, Jr. & Co. Incorporated has opened a branch office at 202 East Sevier Street under the direction of Ben H. McFarlin.

Now Equity General

DENVER, Colo.—The firm name of L. A. Huey Co., Farmers Union Bank Building, has been changed to Equity General Investment Corporation.

Joins Jamieson Staff

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Arnold M. Coppe has joined the staff of Jamieson & Company, First National Concourse Building, members of the New York Stock Exchange.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The spirited duel between buyers and sellers picked up tempo this week to give the stock market some of its busiest times in several years. Turnover ran at the best level since late in 1955, for one illustration. And tickers ran as late as they have since 1956.

All the commotion failed to keep selected issues from forging ahead steadily, although gains that were sizable were limited on any one session to a mere handful as profit-taking haunted the better-acting issues.

The ominous note was that the rails faltered when they were in position to confirm strength in the industrial section, an event that weighed heavy with the chartists who still think the old theory of confirmation is still valid. The fact is, however, that in the long run-up by the industrials from 1949 to 1959, the senior average's strength was not impeded by lagging tendencies in the carrier section. The long bull swing carried the industrials ahead some 300 points above the 1929 top while the rails never succeeded in bettering that long-ago peak.

Top Honors for IBM

None of the chartists' fears seemed to sway International Business Machines. This was in the forefront among the candidates for top honors as the stock of 1960 with its run-up of 154 points on the year. And it seems out to better that performance this year since in only two months of trading this year it has already tacked on better than 80 points.

IBM had plenty of company on a not-too-exclusive roster of issues that are forging to all-time highs when there is supposed to be hesitancy in the market if the averages are correct. So far this year the score of those that have worked to areas never before seen in history is well over the 200 mark. Such performances obviously spur the hunt for other issues either behind the market, or depressed sufficiently so that they, too, could reform and join the uphill march.

Prospective Profit Snapback

Meat packers haven't had a day in the limelight since a brief time when wartime meat rationing ended. An interesting depressed issue in this section would appear to be Wilson & Co. which, in addition to other problems peculiar to the industry, also had strike troubles that dragged on for four months at some of its plants.

The net result was that for its fiscal year its profit dropped to 53 cents from $3.88 the year before. With the strike troubles over, and conditions generally favorable to the meat packers, the profit is assured of a strong snapback on its meat operations. This would be in addition to its position as the largest maker of sporting goods at a time when issues with a leisure-time connotation are in good demand.

Beneficiary From Construction Subsidies

The active issue in the low-priced area that has still not reflected the interest in anything having to do with the costruction industry, and its expected growth to help combat the recession, is San Diego Imperial, a holding company for western savings and loan associations. Such institutions are in the forefront of the growth in financing operations generally throughout the country.

San Diego is somewhat peculiar in that it was set up three years before laws were adopted to prevent the formation of new holding companies in the savings and loan association field. While this prevents it from growing through new acquisitions, it still doesn't stop internal expansion by the associations on its roster. And it does prevent competition and give scarcity value to the shares of San Diego for anyone interested in that type of holding.

The San Diego group comprises 14 associations in Colorado, Texas, California and Kansas, plus a partial interest in a 15th in California. Where the two other Big Board S&L holding companies (First Charter Financial and Great Western Financial) are capitalized at 18 and 15-times earnings, San Diego sells at only 13-times last year's results and about 11 times the expected earnings for this year. These are subnormal figures in today's markets. The shares are not for income since its indicated dividend is 5% in stock, and because of tax considerations its policy is not to pay cash.

GE Versus WX

The debate over the merits of General Electric as against Westinghouse is a lively one. In any event, there is no argument that both are well depressed, having been pounded down hard when the uncertainties over their conviction for price fixing came to a head.

General Electric has shown publicly both a willingness to compromise with any customers who can prove damages out of price fixing, and also a determination to fight vigorously any claims that are dubious. Meanwhile a slide from nearly 100 to the low 60's has gone a long way toward discounting its problems.

Foote Mineral is also a well-depressed item, selling at around a third of its level three years ago as its troubles came from a decline in government demand for lithium and the low fortunes of its steel customers.

American Cyanamid is an issue that also had troubles, including the general business decline, profit-pinch in the chemical business itself, a strike, and heavy development expenses. The accent is more on its chemical troubles than the fact that it gets nearly a third of its sales from its Lederle ethical drug division. It could make a good turnabout if the upturn in the general economy is near at hand. There is little fear over its dividend which provides an average 3.6% yield.

The cement issues generally are returning to popularity for the first time in several years. They had their big day when a Federal highway program was in the discussion stage but fell out of favor in fairly short order. Their historic highs, consequently, are well behind them. Lone Star Cement's shares, for instance, sold above 40 after the stock split in 1957 but last year were down to half of that level with only moderate improvement since when the Administration moved to spur highway work as a fast method of pulling the country out of the recession. Alpha Portland similarly is available a score of points under prices that prevailed in 1956 and 1957, although the prospects for the cement makers are looking up.

A Still-Growing Blue Chip

Eastman Kodak, which enjoyed a high reputation as a premiere growth issue in past years before the market attention turned to newcomers such as Polaroid, is highly regarded in many quarters as a Blue Chip capable of showing renewed growth capacity. It is entering the magnetic tape business, has a new color film superior to its old line to be introduced this month, and is planning stronger promotion of its non-photographic lines. Despite the recession, the company was able to boost sales 5% last year although earnings were restrained by start-up costs and promotional expenses. Prospects are for a further rise in sales this year and with some of start-up costs now ended, improvement in profit is anticipated. The shares have been reactionary lately and have been available at only slightly more than the 1960-61 low.

Bell & Howell was also able to boost its sales, although the photographic industry in general had a 4% decrease. B&H, like Eastman, is heavily involved in non-photographic products, in its case to where they provide half of its sales. With its electronics division doing well, it is expected to show a sharp increase in revenues this year through its participation in space exploration equipment, and with the added help from a rebound in business generally.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

AMF Conv. Debs. Off'd Stockholders

American Machine & Foundry Co. is offering to the holders of its common stock rights to subscribe for an issue of $39,911,000 of 4¼% convertible subordinated debentures due 1981 at the rate of $100 principal amount of debentures for each 20 shares of common stock held of record on Feb. 28, 1961. The subscription price is 100%, and the subscription offer will expire on March 16, 1961.

The offering will be underwritten by a group of investment firms headed by Eastman Dillon, Union Securities & Co.

The debentures will be convertible into common stock at $120 per share through March 1, 1971, and $130 thereafter. They will be redeemable at prices ranging from 104¼% to the principal amount.

American Machine & Foundry will use the proceeds from the sale of the debentures for working capital to finance the company's expanding business and to provide for the payment of all outstanding short-term loans, which at Dec. 31, 1960 amounted to $31,000,000.

The company's consolidated revenues have increased from $168,769,000 in 1955 to $356,400,000 in 1960. Its expansion has been financed from earnings, the sale of securities, by the sale of plants currently leased back and by borrowings under a series of long- and short-term loan agreements.

For the nine months ended Sept. 30, 1960 sales and rentals amounted to $245,008,000 compared with $205,696,000 for the similar period of 1959 and net income of $16,393,000 compared with $12,995,000.

The company and its subsidiaries have 19 principal manufacturing plants, 18 being in the United States and one in Canada.

Giving effect to the sale of the debentures the company's capitalization will consist of long-term debt of $128,175,000; 72,836 shares of preferred stock and 7,769,090 shares of common stock.

Wollard Aircraft Com. Marketed

Public offering of 135,000 shares of Wollard Aircraft Service Equipment, Inc. common stock at a price of $4 per share was made on Feb. 24 by Amos Treat & Co., Inc. and Bruno-Lenchner, Inc. The offering marked the first public sale of the company's common stock.

Net proceeds from the financing will be used by the company for the construction and equipment of a new plant facility and for additional working capital.

Wollard Aircraft Service Equipment, Inc., with headquarters in Miami, Fla., is engaged in the manufacture of a wide variety of ground, field and hangar equipment used to service commercial and military aircraft. The company is the principal producer of the portable stairs used in the major airports throughout the United States for entering and leaving commercial planes. It also sells lavatory trucks, baggage carts, water trucks, service decks, platforms and stands, towbars, and mobile conveyors and loaders.

For the six months ended Sept. 30, 1960, the company had net sales of $740,843, compared with $445,596 at Sept. 30, 1959. Upon completion of the current financing, outstanding capitalization of the company will consist of 327,500 shares of common stock.

Wm. E. Pollock Names Officers

Wm. E. Pollock, formerly President, has been named Chairman, and Max E. Pollock, formerly Executive Vice-President, has been appointed President of the firm of Wm. E. Pollock & Co., Inc., dealers in United States Government securities, and underwriters and distributors of tax-exempt and corporate bonds, with headquarters at 45 Wall St., New York. H. Albert Ascher, previously first Vice-President, has been designated Executive Vice-President. These officers are also members of the firm's board of directors and are responsible for general policy and over-all administration.

Max Pollock

Branch offices are maintained by the firm in Beverly Hills and San Francisco, Cal., and in Miami, Florida.

Form Cambridge Secs.

Cambridge Securities, Inc. has been formed with offices at 42 Broadway, New York City, to engage in a securities business. Officers are Carmine Castucci, President, and Catherine Castucci, Secretary-Treasurer.

J. N. Durkin Opens

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — James N. Durkin is conducting a securities business from offices at 2223 El Cajon Boulevard.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York has announced the appointment of five new members to four of the Bank's Branch Advisory Committees.

Edward J. Connolly, Jr., and John C. Hilly, were named to the Brooklyn Advisory Committee.

Thomas M. Macioce, was appointed to the 34th Street Branch Advisory Committee. Charles B. Stauffacher, was named to the Grand Central Branch Advisory Committee, and Laurence C. Ward, was named to the Fifth Avenue and 44th Street Branch Advisory Committee.

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Donald B. Anthony has been elected a Vice-President of **Morgan Guaranty Trust Company of New York.**

Mr. Anthony is assigned to the general banking division. He joined **Guaranty Trust Company of New York** in 1933. He was appointed an Assistant Real Estate Trust Officer in 1938 and an Assistant Vice-President in 1950.

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Appointment of Howard K. Onstott, as a member of **Manufacturers Trust Company, New York,** 14th Street Advisory Board, was announced by Horace C. Flanigan, Chairman of the Board of the Bank.

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Union Dime Savings Bank, New York, N. Y. has announced the following staff changes. Effective March 1, John P. Scholl will become Assistant Vice-President and Manager of the Bank's Murray Hill Office. Mr. Scholl succeeds Herbert G. Zilliakus, Assistant Vice-President, and Manager of the branch since it opened in 1954, who retires at the end of this month after 45 years of service.

William G. Thomas, also of Union Dime's Murray Hill Office, becomes Assistant Secretary.

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George Gray, now Executive Vice-President, formerly Head of the Trust Department of **Kings County Trust Company, Brooklyn, N. Y.** has been elected a Trustee of the Bank.

John B. McDonald was elected Assistant Vice-President.

* * *

The Security National Bank of Long Island, Huntington, N. Y. has increased its common capital stock from $4,965,920 to $5,452,775 by the sale of new stock, effective Feb. 10 (Number of shares outstanding 1,090,555 shares, par value $5).

* * *

Stockholders have approved the consolidation of the **First Westchester National Bank of New Rochelle, New York,** and **First National Bank & Trust Company,** of **Ossining, New York,** under the title of the First Westchester National Bank. The date of effect is March 1.

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Horace Hogle, Jr., Assistant Vice-President at **The County Trust Company, White Plains, N. Y.** retired Feb. 28 after completing nearly 36 years of service with the Bank.

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Robert L. Davis, President, **The First National Bank, Olean, N. Y.,** John D. Hamilton, President, **Chautauqua National Bank of Jamestown, N. Y.** and Baldwin Maull, President, **Marine Midland Corporation,** jointly announced that **First National Bank** will merge with **Chautauqua National,** a Marine Midland Bank, subject to the approval of the respective bank stockholders and regulatory banking authorities. The name of the resulting regional Bank is to be **Marine Midland National Bank of Southwestern New York,** with Mr. Hamilton as Chairman of the Board and Chief Executive Officer, and Mr. Davis as President. Stephen T. Christian, Executive Vice-President, Chautauqua National, will continue as Executive Vice-President of the enlarged Bank.

A merger proposal, which calls for the issuance of 112,500 Marine Midland Corporation common shares for the 30,000 shares of capital stock of the First National Bank has been approved by the Directors of each Bank and the Bank holding company and will be submitted to the Bank stockholders in the near future. As of Dec. 31, 1960 First National had capital funds of $1,857,000 and deposits of $24,000,000. Chautauqua National had capital funds of $5,437,000 and deposits of $61,775,000.

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Mr. Erle Martin has been elected a Director of the **Connecticut Bank and Trust Company, Hartford, Conn.**

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The Lincoln National Bank and Trust Company of Central New York, Syracuse, New York, has increased its common capital stock from $2,358,280 to $2,653,060 by the sale of new stock, and from $2,653,060 to $2,706,120 by a stock dividend, effective Feb. 15. (Number of shares outstanding 270,612 shares, par value $10).

* * *

The Comptroller has approved an application to merge the **Cicero State Bank, Cicero, New York** into the **Merchants National Bank & Trust Company of Syracuse, Syracuse, New York** under the title of the **Merchants National Bank & Trust Company of Syracuse.** The effective date is to be as of the close of business Feb. 28.

* * *

The Rockland National Bank, Suffern, New York has increased its common capital stock from $1,410,515 to $1,606,145 by the sale of new stock, effective Feb. 14. (Number of shares outstanding 321,229 shares, par value $5).

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The Comptroller has disapproved the application to consolidate **Central National Bank, Canajoharie, N. Y.** and the **Broadalbin** Bank, Broadalbin, N. Y.

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William H. Harder, formerly Executive Vice-President, has been elected President of the **Buffalo Savings Bank, Buffalo, New York,** Mr. Harder is also a Director of the **Savings Bank Trust Company, New York.**

* * *

At a meeting of the Board of Directors of **The First National Bank of Toms River, N. J.** Feb. 21, the Directors voted the payment of a stock dividend of 160,000 shares of capital stock of $5.00 par value, payable April 24, to shareholders of record March 22, which will be paid by the issuance of two-thirds of a new share for each share held on the record date.

In addition it voted to sell 20,000 shares of new stock for which rights will be issued to the stockholders of record on July 17, which shares will be sold at $22 a share and the rights will expire and be without value on Aug. 17, subject to the approval of the shareholders at a meeting to be held on March 22, and also subject to the final approval of the Comptroller of the Currency. Tentative approval has been received from the Comptroller of the Currency.

The stock dividend of $800,000 will consist of 160,000 shares of $5 par value and there will be transferred simultaneously $800,000 from the surplus account of the Bank to the capital account increasing the capital account from $1,200,000 to $2,000,000 and reducing the surplus account from $3,300,000 to $2,500,000.

The sale of 20,000 new shares of the capital stock at $22 a share will further increase the capital and surplus of the Bank by $440,000 of which $100,000 will be placed in the capital account and $340,000 will be placed in the surplus account.

At the time of the sale of the new shares after the $440,000 of additional capital has been received, an additional $60,000 will be transferred from undivided profits account to surplus account. The capital of the Bank will then be $2,100,000 and the surplus $2,900,000.

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Frederic A. Potts, President of **The Philadelphia National Bank Philadelphia, Pa.,** and George H. Brown, Jr., President of **The Girard Trust Corn Exchange Bank Philadelphia, Pa.,** announced that the Comptroller of the Currency has given approval to a merger of the two institutions.

The way is now clear for the shareholders of both banks to ratify consolidation plans proposed last November by the two Boards of Directors. Such action will require special meetings of the shareholders of both banks. These probably will be held concurrently in early April.

Messrs. Potts and Brown, who respectively will be Chairman and President of the combined bank, said the actual consolidation is expected to take place late in May. This will allow adequate time for Philadelphia National and Girard Trust Corn Exchange to plan for a smooth integration of the banks' business.

The merged bank will be known as **Philadelphia Girard National Bank and Trust Company.** It will have resources close to $1,800,000,000.

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Donald German has been named Public Relations Director for the **Industrial Trust Co., Philadelphia Pa.,** announced Samuel Weinrott, Industrial President.

Before joining the Industrial Trust family, he was Business Development Representative at **Central-Penn National Bank** for four years.

Last month Industrial Trust completed a merger with the **Perkiomen National Bank of East Greenville, Pa.,** and has announced plans to consolidate soon with the **Jenkintown, Pa., Bank and Trust Co.**

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Frank Armour, Jr., has been elected a Director of the **Pittsburgh National Bank of Pittsburgh, Pa.,** it was announced by Frank E. Agnew, Jr., President of the Bank.

* * *

William B. Given, Jr., and I. W. Wilson have been elected Directors Emeritus of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**

* * *

Western Pennsylvania National Bank, Pittsburgh, Pa., has announced formation of a Business Research Unit, to be headed by John C. Bramer, Jr., Executive Assistant to M. A. Cancelliere, President of the Bank.

The WPNB research function will be in charge of gathering, analyzing and reporting data on sites for location of new community offices, defining primary service areas of WPNB offices and competitive banks, analysis of new services, and reporting of significant changes in the local or national economy which may affect the growth of the Bank.

A new banking office in the Shadyside area is being planned by **Western Pennsylvania National Bank, Pittsburgh, Pa.**

The new facility will be located at 5601 Walnut St., at the intersection of Ivy St. It will replace the bank's present Shadyside office.

* * *

The Montgomery County Bank and Trust Company, Norristown, Pa., has received permission to merge with the **National Bank and Trust Company of Spring City, Spring City, Pa.,** under the title of the **Montgomery County Bank and Trust Company.**

* * *

The First National Bank in Greensburg, Greensburg, Pa., has increased its common capital stock from $600,000 to $900,000 by a stock dividend, effective Feb. 17. (Number of shares outstanding 36,000 shares, par value $25.)

* * *

The Comptroller has approved an application to merge the **Citizens National Bank of Bedford, Bedford, Va.,** into the **First National Exchange Bank of Roanoke, Roanoke, Va.,** under the title of the **First National Exchange Bank of Roanoke.** The effective date is expected to be March 15.

* * *

W. Ernest Caldwell, Jr., Senior Vice-President of **Central National Bank of Cleveland, Ohio** retired March 1 after 47 years of banking service.

Mr. Caldwell started his career as a messenger with the **Superior Savings and Trust Co.** which merged with **Central National Bank** in 1921 to form the **Central National Bank Savings and Trust Company.** He established Central National's credit department and was named Cashier in 1933, elected a Vice-President in 1941 and Senior Vice-President in 1957.

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A charter has been issued to the **First National Bank of Crystal Lake, McHenry County, Ill.** Richard E. Steinbrecher is President, W. E. Lewis is Cashier, and the bank has a total of $350,000 in surplus and capital.

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The Empire National Bank, Empire, Leelanau County, Mich., has received its charter. Its President is Paul E. Smith, its Cashier is Mereta Holds, and has a total of $389,435.45 in surplus and capital. It is a conversion of the **Empire State Bank, Empire, Mich.,** and is effective as of Feb. 15.

* * *

The Pierre National Bank, Pierre, So. Dak., has increased its common capital stock from $125,000 to $200,000 by a stock dividend, and from $200,000 to $250,000 by the sale of new stock, effective Feb. 15. (Number of shares outstanding 25,000 shares, par value $10.)

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The Hamilton National Bank of Morristown, Morristown, Tenn., has increased its common capital stock from $150,000 to $300,000 by a stock dividend, effective Feb. 15. (Number of shares outstanding 6,000 shares, par value $50.)

* * *

The American National Bank of Beaumont, Beaumont, Texas, has increased its common capital stock from $1,500,000 to $1,750,000 by a stock dividend, and from $1,750,000 to $2,000,000 by the sale of new stock, effective Feb. 14. (Number of shares outstanding 100,000 shares, par value $20.)

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The First National Bank of San Angelo, San Angelo, Texas, has increased its common capital stock from $500,000 to $575,000 by a stock idvidend, and from $575,000 to $687,500, by the sale of new stock, effective Feb. 15. (Number of shares outstanding 137,500 shares, par value $5.)

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W. Roy Wayland, Honorary Chairman of **Valley National Bank, Phoenix, Ariz.,** a Director since 1929, died Feb. 21 at the age of 78.

He had served as Honorary Chairman of the V. N. B. Board since January 1953.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The changed policy of the Federal Reserve System in its open market operations, namely the announced intention to make purchases of Government securities with a maturity of more than five years along with notes, certificates and bills, had a favorable influence on all fixed income bearing obligations. The purchases of bonds by investors and speculators were sizable enough to not only clean out most stale corporate syndicates, but also to push up quotations of Government bonds in a very brisk manner.

Because of the help which is expected in the bond sector from the open market operations of the Federal Reserve System, the opinions are that yields on long-term bonds will continue to decline. Only token purchases, however, have been made so far. The near-term area or the money market will most likely continue to be held to the firm side in order to keep readily transferable funds here.

Monetary Policy as a Recession Tool

The unexpected and unprecedented announcement by the Open Market Committee of the Federal Reserve System last week meant that the level of long-term interest rates was coming in for consideration as a force in helping the economy move out of the recession area which it has been in for several months now. In addition, it is the opinion of not a few money market specialists that by operating over the entire scope of the money and capital markets the monetary authorities will be able to accomplish more and to impart a greater flexibility to what they are attempting to carry out than has been the case under the policy of "bills preferably."

There is no question but what the use of short-term Treasury issues exclusively for open market purchases effects mainly near-term and open market rates but has very little if any immediate influence on the loaning rates. And the effect when it does come on borrowing rates is at best a slow and drawn out process. A much more direct and rapid approach to the lowering of borrowing or loaning costs which corporations have to pay when obtaining funds in the capital markets is brought about through a decline in long-term interest rates. It is believed that when long-term interest rates are favorable there will be an increase in the number of borrowers who are interested in obtaining funds which in most instances in the past, have been used to create work and thus combat the unemployment situation which is a problem any time. Also, there may be some refunding of higher coupon bonds that are presently outstanding.

Unknown Factor

Time will tell how extensively the Federal Reserve System will use its newly announced policy and what maturities will be purchased by them in the open market to "nudge" or influence long-term interest rates. It is evident that quite a few money market operators are still not willing to concede that anything constructive can be done for the money and capital markets with any policy other than a "bills only" one. However, it must be remembered that this so-called cure-all policy of bills or short-term issues exclusively did not have a favorable influence on the efforts that were being made to stem the flow of funds from this country in order to take some of the pressure off the dollar and to limit our loss of gold. These sharply depressed and artificially low short-term rates hastened the flow of funds and gold from here.

It appears as though the program of high short-term rates and lower long-term rates is going to be given a fair trial and this time it will be with the help and cooperation of the Federal Reserve System. The Treasury in its debt management operations also can do much to help such a program along by keeping its new money raising and refunding undertakings in the money market area of the Government market. Then the capital market would be left open for non-Federal flotation of bonds.

In addition, the purchase by the Federal Reserve Banks of long-term Government bonds should not hamper overall operations since it is indicated that nearly all of the security holdings of the Central Banks are permanent in character.

H. A. Riecke Co. Names Officers

PHILADELPHIA, Pa. — H. A. Riecke, chairman of the board of the investment banking firm of H. A. Riecke & Co., Inc., 1433 Walnut Street, members of the New York and Philadelphia Stock Exchanges, has announced that six new officers were elected at the annual meeting of the firm.

They are Richard J. Handly, Vice-President; Albert J. Davis, Vice-President; John B. Bunting, Vice-President located at the Daytona Beach, Florida, office; Herbert E. Beattie, Jr., Assistant Vice-President; Roy C. Alloway, Assistant Vice-President, Daytona Beach office; and Miss Margaret Mary Fitzpatrick, Assistant Treasurer and Assistant Secretary.

Mr. Riecke also announced that Mr. Davis and Mr. Handly were re-elected Treasurer and Secretary of the firm, respectively.

Complete Stock Offering

S. Lyall Briggs (right), President and Treasurer and Robert Himel (left), Executive Vice-President of Photo Service, Inc., take delivery of $1,196,000—net proceeds from the recent (Feb. 14) public sale of 162,500 shares of the Des Plaines, Ill., company's common stock. Delivering the certified check is Ernest A. Mayer (second from left), partner of Cruttenden, Podesta & Co., which managed the coast-to-coast underwriting group. Looking on is James A. Leech, Assistant Secretary of Continental Illinois National Bank and Trust Company of Chicago, the issuing company's transfer agent.

New York Power Authority Bonds Being Offered

A nationwide syndicate of 262 investment banking firms, managed by Dillon, Read & Co. Inc., Halsey, Stuart & Co. Inc., Kuhn, Loeb & Co. Incorporated and W. H. Morton & Co. Incorporated, is offering for sale an issue of $100,000,000 Power Authority of the State of New York, General Revenue Bonds, Series J.

The issue consists of $80,000,000 of 3¾% term bonds due Jan. 1, 2006, priced at 100%; and $20,000,000 serial bonds maturing on each Jan. 1 from 1965 to 1979, priced to yield from 2.50% in 1965 to 3.40% in 1979.

Net proceeds from the present financing, amounting to $99,139,000, will be used to pay $60,000,000 principal amount of bond anticipation notes (issued for construction) and part of the cost of construction of the Niagara Project, including payment into the Authority's temporary interest fund of $10,964,962, representing interest on the new bonds through Dec. 31, 1963. After this sale, a total of $720,000,000 principal amount of General Revenue Bonds will have been sold by the Authority for its Niagara Project. net proceeds of such total principal amount of bonds, together with estimated power revenues from the Niagara Project during construction, will be sufficient to complete the financing of this Project, construction of which is more than 80% completed.

Power generation from the Niagara Project commenced in January 1961 and the Project was formally opened on Feb. 10, 1961, as scheduled. Full power generation is planned by Dec. 31, 1962 with final completion of the Project scheduled by June 30, 1963. The Authority has entered into long-term contracts for the sale of substantially all of the power output from the Niagara Project.

The Niagara Project will be physically inter-connected by a tie-line with the Authority's $335,000,000 Saint Lawrence Project. When the Niagara Project is completed, these two Projects will form the largest hydro-electric development in the Western hemisphere. The Saint Lawrence Project is completed and in full operation, the last of the 16 generating units having been installed in July 1959. Commercial production of power started in July 1958, and, as of Jan. 31, 1961, the Authority had produced and sold approximately 13.5 billion kilowatt-hours, of which approximately 6.2 billion kilowatt-hours were sold during the 12 months ended that date.

The bonds are subject to redemption, as a whole or in part, at any time on or after Jan. 1, 1970 as set forth in the Authority's official statement.

The trustees of the Authority are: Robert Moses, Chairman; William Wilson, Vice-Chairman; and A. Thorne Hills, Finla G. Crawford and Theodore Hill, Jr. William S. Chapin is general manager and chief engineer of the Authority. Mr. Thomas F. Moore, Jr. is General Counsel to the Authority.

In the opinion of bond counsel, the bonds are exempt as to interest from Federal income taxes and New York State income tax, and are legal investments under New York State law for insurance companies, banks and trust companies, savings banks and certain trust funds.

With Bancroft Securities

WORCESTER, Mass. — Bancroft Securities Company, 74 Franklin Street announces the appointment of Mrs. Israel Josephs as Manager of the Mutual Funds Department, and also the appointment of Mrs. Florence Macomber, Roger A. Hunt, and Philip Derby as Registered Representatives.

Forms R. A. Manley Co.

KENMORE, N. Y.—R. A. Manley & Co., Inc. has been formed with offices at 2840 Delaware Avenue to engage in a securities business. Robert A. Manley is a principal of the firm.

Censorship by Taxation

By Hon. Hale Boggs, Representative, U. S. Congress (D.—La.)*

A firm threatened by legislation cannot deduct as ordinary business expenses advertising costs incurred in presenting its side of the case in order to prevent passage of such legislation. Terming this tax treatment a subtle attack on the first amendment, which would not be important if we had low tax rates, Congressman Boggs hopes that Congress will favorably act on his bill—H. R. 640—to correct present tax policy. He mentions present anomalies under the present law for comparable situations, criticizes loose definition of what constitutes lobbying; and avers his bill is beneficial to business, labor and individuals.

In his State of the Union Address, the President, and I might say many times during last fall's campaign, said that he would not not withhold facts and reports from Congress or from the American people just because they may not present a pretty picture, or because they posed a heavier burden or a greater hardship upon our people.

Rep. Hale Boggs

Already President Kennedy has demonstrated his belief in the people's right to know by his order to release a United States Information Agency's report which reveals a sharp drop in the nation's prestige abroad since the Soviets first launched the Sputnik, and his decision to permit live television coverage of his press conferences, a new move to give us, the American people spontaneous information on the latest developments in world affairs, is one which has met with universal approval.

By such moves the President is giving expression to his view that through greater knowledge, greater information, citizens will be more inclined and better equipped to participate in the affairs of government on every level. He has said repeatedly that only as enlightened, informed Americans, with greater knowledge of the workings of our government, its problems, its needs, its interests, can we best meet the stupendous challenges and tasks which face all of us. In other words, as I understand these expressions, the President welcomes from us American citizens the free and full expression of our ideas to aid the progress of our government and the problems of our nation.

I take it for granted that advertising is here to stay. I have listened to many discussions about some advertising being bad and some being good, but I suspect that intelligent businessmen have the capacity to do whatever policing may or may not be required in their industry, and it certainly is not my function to lecture about any defects which may or may not exist.

A Bill to Allow Free Speech

I introduced in the last Congress a bill known as H. R. 7123. I have re-introduced this bill in the present Congress. As a matter of fact I introduced it on the first day of this session, and it now bears the number H. R. 640. This bill in my opinion is a very necessary bill. This bill in my opinion would carry out an express determination of the President of the United States to give free range, to free information, to wide information to the American public. Many know that the first statement in our Bill of Rights guarantees to us, as Americans, freedom of speech and freedom to petition our government for the redress of grievances. This freedom is not limited to any level of government, it extends from the township hall, from the county court house, to the city council, to the state legislature, and to the Congress of the United States. These rights are an indelible part of our free system, and exemplify the highest principles set forth by our founding fathers.

This brings me to the purpose of my bill. This bill is not designed to correct any specific regulation of government which deliberately attempts to circumvent the First Amendment. It seeks to correct a much more subtle attack upon these rights. We live today in an economy which, wether we like it or not, and I presume that most of us really don't like it, requires tremendous expenditures for the maintenance of our government. For a long time, and I happen to serve on the taxing committee, the Ways and Means Committee of the House of Representatives, for a very long time, we have had an effective corporate rate of 52%, and we have had an individual tax rate which goes as high as 87%. So that regardless of what theoretical ideas may be advanced, the tax rates are a fact of life, and no business concern, no private individual, no civic group, no professional group makes a decision without first determining to use the language of the tax attorneys, the tax consequences thereof.

Today we have a strange situation. If a state legislature meets and considers a bill which may ultimately put someone out of business under existing Treasury Department regulations issued in December, 1959, whatever funds the firm affected may or may not have expended to prevent this happening are not deductible as ordinary business expenses. This applies at every level of government. If a business which may be affected by referendum, and many of them are, hires public relations counsel, buys newspaper advertising, magazine advertising, radio advertising, television advertising, in order to prevent this enactment from putting it out of business, these expenses are not legitimate deductions.

As a matter of fact this has really happened, one case in Arkansas of a small merchant, a businessman, who is right on the state line, who was drastically affected by a sales tax enactment which would mean that the business would cross the state line and buy in an area where the sales tax was not in operation. He was not able to deduct what he expended in an effort to defeat this enactment which he felt was an undue burden upon his own business.

Mentions Anomalies

There are countless other examples I could give and there are many anomalies in the law. For instance, if a businessman or his lawyers, or representatives should come to the nation's capitol to present a petition or a case before a regulatory agency, or before a court or before any branch of the executive department of the government, whatever expenses incurred therein, would be legitimate business expenses and would be deductible from your Federal income taxes as such. But if on the same mission a businessman went over and testified before Bob Wilson's Congressional Committee about a matter that he was interested in, either pro or con, these expenses would not be deductible.

Blames High Tax Rates

Now in the ordinary course of events, if we did not have a corporate tax rate of 52% and if we did not have an effective individual income tax rate which varies from 20 to 87%, this might not be significant, but as I pointed out earlier, with this type of tax rate this in effect becomes what I have called censorship by taxation.

Now we didn't get into this thing deliberately. I know its factional to beat the bureaucrats over the head and I've done it as much as anybody else. But as a matter of fact most people know that most of the people in Washington are pretty dedicated people and I don't think they are going out deliberately to try to put anyone out of business. Yet this came about by a variety of things.

Number one, Congress in 1954 redrafted the Internal Revenue Code. I happened to be on the committee which did that job. We left what the lawyers call some hiatuses in the law and this was an area which was not defined and after many hearings and many sessions, as a matter of fact some 25 organizations, trade organizations, labor groups, civic associations, business associations, chambers of commerce, and so on in lengthy testimony before the Internal Revenue Service, this regulation was issued in December, 1959. I don't think that the regulation had to be what it is. I think the law could have interpreted the other way. Nevertheless the regulation was issued. Here is what was so difficult about this regulation, and why this act is so desperately needed.

What Constitutes Lobbying?

Under the regulation each district of the Internal Revenue Service is given the power to interpret what constitutes unjustifiable expenditures for lobbying purposes. This means that an internal revenue agent in San Francisco looking at a newspaper ad may decide that it is própaganda for political purposes while another internal revenue agent in New York or New Orleans, or Chicago, or Cleveland may reach just an opposite conclusion. And in any event no internal revenue agent should have this ultimate authority.

So what my bill seeks to do in very simple terms is to amend the law and say that lawful expenditures, and this of course includes advertising, designed to influence legislative action on any level, let it be the city council, the township, the county commissioners, the state legislature, the Congress of the United States, shall be considered a legitimate business deduction. This in my opinion is a reasonable bill. It's one that I think we need, I think it puts everybody on an equal footing. It's equally as important to the labor unions as it is to the trade associations. It's certainly important to the individual citizen who attempts to organize what advertisers call "grass roots campaigns" which fellows like Bob Wilson and I feel every now and then and it restores something that is desperately needed in our country.

I might say that we reported this bill last year from the Committee on Ways and Means unanimously. There was not a vote against it. But we reported it toward the end of the session, and you may recall that Congress recessed for a while and we went to the national conventions, then we came back in the middle of August and we rushed through to get finished in order to enter the fall campaign.

This bill is now on the legislative agenda. Its objective is as much desirable as ever. So I would hope that people in a constructive way would lend it their support. Contact friends, in Congress and elsewhere, in the press, and point out the necessity for this legislation. This is certainly not any partisan proposition, it is needed for the continued expression of the right of petition and the right of an American citizen to appear before his government whether to address a grievance or promote a cause.

*From a talk by Mr. Boggs before the Mid-Winter conference of the Advertising Federation of America, New York City.

"Six Mice or Six Elephants"

We have laws against watering stocks, laws against tampering with securities but no effective law, it seems, to preserve the integrity of the dollar.

Orval W. Adams

A fickle and arbitrary dollar value takes the power of prediction out of business and takes the inherent integrity out of contracts and takes away the incentive for people to save.

It is important to know that the cloth we buy is "all wool and a yard wide" and it is important to know that our dollar is all gold of a fixed weight —no matter who happens to be in the saddle at the moment and no matter who wants to tamper with the country's cash register.

Without a gold standard dollar, no man can really know what he is contracting for in the future. As the old story goes, he may promise to deliver or to pay "six" of something. But without a gold standard, he doesn't know in advance whether he is going to have to deliver six rabbits, six horses, six mice or six elephants.

No arrangement for any future payment can have a definite meaning—and no savings in any liquid form can mean much so long as the fiat of one man, or any combination of men, can, overnight, say that this dollar is worth half, or double, what it was.—**Orval W. Adams, Chairman, Zions First National Bank, Salt Lake City, Utah.**

MUTUAL FUNDS

BY ROBERT E. RICH

Richly Endowed

For the first time in the history of this nation, the Executive and the Congress, along with the private citizen, are greatly preoccupied with education. In the days ahead we are certain to get a liberal education in the economics of education. Indeed, many shrewd investment managers, anticipating the trend, already have made the education business pay handsomely by purchasing equities with a major stake in this industry, which may yet emerge as our second largest.

It does not figure to surpass in size our defense industry, at least not in the foreseeable future. Ironically, it is the widespread fear of falling behind the Communist foe that has given the major impetus to plans for multi-billion-dollar spending on education. The taxpayer already is aware of the onerous costs that must be borne in the programs to which his community has been committed. The burden upon him will continued to grow.

Wall Streeters, of course, long have been aware that our leading institutions of higher learning are not without considerable resources of their own. The financial community has a perennial interest in the annual survey of Boston Fund, which is out now with yet another comprehensive study of college and university endowment funds. Sixty-four institutions are included in this new study. Their endowments range in size from $5,000,000 (Bates College) to over $625,000,000 for a school whose name escapes our memory, although President Kennedy never seems to have any difficulty in remembering it. Total endowments of the 64 schools in the Boston Fund survey are put at $3.8 billion, although the figure probably is in excess of $4 billion now because of the hefty rise in the stock market since June 30, 1960 (the date chosen for calculation of the values).

Into common stocks went 53.6% of the $3.8 billion total. Bonds made up 33.4%, preferreds 2.4%, real estate and mortgages 6.3%, and other investments 4.3%. Taxpayers, who will be shelling out for education on a rising scale, probably would not be averse to learning something from their manner of money management. According to Henry T. Vance, President of Boston Fund: "... the responsible financial officers of the college funds take a long-term view of economic trends and are not disturbed by day-to-day changes in market prices. They invest primarily for reasonable income and possible increases of income and capital in the future." (Boston Fund is a balanced mutual fund.)

Standard of Jersey continues to be the most widely held, turning up in no less than 41 of the 64 portfolios and showing a market value of over $55,000,000. International Business Machines is second, owned by 24 colleges and having a market value of better than $53,000,000. The other equity holdings among the All-American Top 10 are General Electric, Eastman Kodak, Du Pont, Texaco, American Telephone & Telegraph, Christiana Securities, General Motors and Standard Oil of California.

Boston Fund is intrigued because six of these issues are among the top 10 common stocks held by more than 300 investment companies, which incidentally have assets of over $20 billion. The Big Six are IBM, Texaco, GE, Du Pont, Telephone and Jersey. Instead of Eastman, Christiana, GM and California Standard, the portfolios of the professionals include United States Steel, Goodyear Tire & Rubber, Minnesota Mining and International Nickel of Canada in their top 10.

There is yet another departure, although Boston Fund does not mention this: the top holdings reveal an American bias. About as close as you can get to foreign investments in the college commons are Royal Dutch and Shell Oil. And both of these are dealt in on the New York Stock Exchange.

But you will search in vain for the foreigners, which have become all the rage in the professional portfolios. Our colleges, bless their patriotic litle hearts, were saying: "Du Pont yes! Farbenfabriken Bayer A.G. no!" And they also were shouting "GM yes! Fiat no!"

No less touching is their faith on our much-maligned railroads. While many professional portfolio managers have given the carriers the back of their hands, no less than 10 of the 64 college portfolios in the Boston Fund study own Union Pacific (total market value $1,400,000). And seven are committed to Santa Fe for a market value of $3,400,000. Southern Pacific and Great Northern also show up in each of four portfolios. What about the Eastern roads? Well, you must not get too chauvinistic.

The Funds Report

Net assets of **Affiliated Fund** increased by $84,132,090 in the three months ended Jan. 31, according to the report to shareholders for the first quarter of its current fiscal year. At the end of January, net assets aggregated $670,079,663, equivalent to $7.70 a share. At the end of its last fiscal year, on Oct. 31, 1960, the company had net assets of $585,947,573, equivalent to $7.07 a share. In the initial quarter of the current fiscal year, five stocks were added to the company's portfolio: Hazeltine, Perkin-Elmer, Stop & Shop, Suburban Gas and Western Union Telegraph. Four stocks were eliminated: Champion Paper & Fibre, First National Stores, Merck and Parke, Davis.

* * *

Total net assets of **American Mutual Fund** at Jan. 31 were at a record high of $142,750,622, equal to $8.98 a share. This compares with $122,509,840 and $8 a share at Oct. 31, 1960. During the quarter new holdings added to the portfolio included Boeing, Giant Portland Cement, Great Atlantic & Pacific Tea Co., International Minerals & Chemical, Kern County Land, Stanley Warner, Union Oil and Utah Power & Light. These issues were eliminated: Abbott Laboratories, American Radiator, Deer, E. I. du Pont, Great Northern Railway, Northwest Airlines, Pacific Finance, Pepsi-Cola, Republic Steel, Shell Oil and Western Union.

* * *

American Research & Development Corp. puts net assets on Dec. 31 at $38,875,003, or $35.33 a share, compared with $23,459,278 and $19.80 a share a year earlier.

* * *

It was announced at the annual meeting of **Canadian Gas & Energy Investments Limited** that the net tangible assets of the fund, by recent calculation, amounted to $5.65 per share. And when such value exceeds $6 per share, the holders gain the right at their option, under the terms of the share provisions, to redeem their shares at the net asset value, less regular commission. The net asset value at Dec. 31, 1960, disclosed earlier in the annual report, amounted to $4.95 per share.

Also announced at the meeting was the election to the board of directors of Arthur G. Walwyn, Toronto financier. Mr. Walwyn replaces Dr. Richard L. Hearn, who retired.

* * *

Fundamental Investors, Inc. reports that at the close of 1960 total net assets were $590,754,010 and net asset value a share was $8.93. This compares with $599,357,454 and $9.67 a share at the end of 1959. On Dec. 31, 1960, there were 66,173,333 shares outstanding, against 61,972,612 a year earlier.

Since its prior report, on Sept. 30, common stocks of American Hospital Supply and Champion Spark Plug were added to holdings substantial increases meanwhile were made in holdings of Gimbel Brothers, W. T. Grant, Peoples Gas Light & Coke and R. J. Reynolds Tobacco. Eliminated during the period were Jones & Laughlin Steel, Minneapolis-Honeywell Regulator and Rayonier.

* * *

International Investors, Inc. reports that at Dec. 31 net assets amounted to $1,239,750, equal to $14.57 a share on 85,072 shares outstanding. This compares with $790,370 and $13.82 a share at the end of 1959 when shares amounted to 57,177.

* * *

Net assets of **Mutual Securities Fund of Boston** increased 23% from the previous quarter, it was reported to shareholders in the fund's third quarter report. For the period ended Jan. 31, this year, net assets were $582,589.89, as compared with $473,684.57 at the end of the previous quarter. The net asset value per share increased from $9.12 to $10.57.

* * *

Putnam Growth Fund reports net assets at Jan. 31 totaled $76,769,000, or $16.05 a share, against $20,016,000 and $12.03 a share a year earlier.

* * *

Television-Electronics Fund, Inc. reported total net assets at the end of its first fiscal quarter of 1961 at a record high. President Chester D. Tripp told shareholders that resources of the Fund on Jan. 31, amounted to $388,200,000 $339,400,000 at the close of the last fiscal year, Oct. 31, 1960, and $314,100,000 at the end of the first fiscal quarter of 1960. Total net assets, he said, grew 14.4% during the first quarter of the year and were 23.6% larger than a year ago.

The net asset value per share rose 13% during the three-month period since the close of the fund's year on Oct. 31, and was up 10.7% during the past 12 months. On Jan. 31, 1961, net asset value per share was $8.05, compared with $7.41 three months earlier and $7.54 a year ago.

Mr. Tripp said that the investment position at Jan. 31, 1961, was only slightly changed from that which prevailed at the close of the last fiscal year and "remains conservatively oriented to current economic uncertainties, with 16.4% of the assets of your fund in cash and short-term issues." This compares with 19.2% so disposed on Oct. 31, 1960, but is substantially higher than a year ago when the fund held only 8.3% of its resources in cash and short-term issues.

No new common stock additions were made during the quarter, he said. Mergenthaler Linotype and Paramount Pictures were eliminated. Holdings in Fairchild Camera & Instrument, Foxboro, General Electric and Westinghouse Electric were increased during the three-month period.

* * *

Total assets of the **Texas Fund**, Houston-based mutual investment fund, rose above $40,000,000 in January, 1961, for the first time in the fund's 12-year history, it was learned from Clive Runnells, Texas Fund's President. Mr. Runnells said the total assets of the fund reached $40,013,000 as of Jan. 31. This compares with a value of $37,010,000 at the same time last year. Net asset value as of Jan. 31 was $10.49 per share, compared to $9.34 per share at the same time last year.

Banner Indust. Common Offered

Banner Industries, Inc. of St. Louis, Mo. is offering 125,000 units at $10 per unit. Each unit consists of two shares of common stock, par value 10 cents per share, and one warrant to purchase one share of common stock at $6 per share to May 1, 1962. Netherlands Securities Co., Inc. is the underwriter.

The company is primarily engaged in the wholesale distribution of tools, housewares, hardware, sporting goods, toys and promotional specialty items to hardware stores, drug stores, super markets, department, discount and mercantile chain stores and other hardware distributors. It also sells such merchandise at retail through its wholly owned subsidiary, Giant Value Stores, Inc. The company additionally purchases distress merchandise offered by manufacturers or merchandise which is put up for auction. Such merchandise is sold by its sales force substantially below the going market price for such items. Banner Industries, Inc. and its wholly owned subsidiary, Mississippi Valley Hardware Co. have imported from abroad for five years, tools, hardware, toys and promotional specialty items.

The net proceeds of this offering will be used to open leased departments in self-service discount centers and super markets, expansion of the company's imports from Japan and Europe and for additional working capital.

DOB Corp. Com. Stock Offered

The investment securities firm of Morgan & Co. on Feb. 28 publicly offered 75,000 shares of the DOB Corp. common stock, at $4 per share.

The DOB Corp., which maintains principal offices at 3318 La Cienega Place in Los Angeles, was incorporated in August 1955—and produces pizza crusts, ingredients and related products for distribution in 11 Western states, Hawaii, Alaska and parts of Canada.

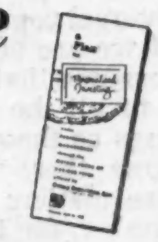
To Discuss Mutual Funds At New School

Dr. Harold Oberg, Director of Research of the National Association of Investment Companies, and A. Wilfred May, executive editor of the *Commercial and Financial Chronicle*, will join in a discussion of mutual funds at The New School for Social Research, Wednesday, March 8, at 10:30 a.m.

Both Dr. Oberg and Mr. May are guest speakers in the weekly series, "Personal Investment Problems," directed by Dr. Jerome B. Cohen, professor of economics, and supervisor of finance and investments of the Baruch School of Business at the City College.

Customers' Brokers to Hear

The Association of Customers' Brokers will hold a meeting on "Special Situations" on March 8 at the New York Society of Security Analysts. Speakers will be Edmund T. Bell, Walston & Co., Inc.; Robert W. Mansfield, R. W. Mansfield Co., and Edward S. Wilson, W. E. Burnett & Co.



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proposals, some of which probably would do little harm and less good, but some of which would be seriously injurious to the United States. Charm of personality—which cost us many, many billions in the time of Franklin Roosevelt—and a certain "freshness" of attitude must not blind us to the danger lurking in the situation thus depicted. The fecundity of the President's mind—or what appears to be such at first glance—is astounding although more careful scrutiny of what he is suggesting soon reveals that a very large part of his suggestions is by no means new or novel, but on the contrary has either in the present form or forms closely similar been in the "till" of the New Dealers or their close relatives for years, often decades, past.

It sometimes appears that the President has made a list of all things which are more or less agreed to be wrong with the world, and this country in particular, and announces solemnly that he has "directed" this, that, or the other subordinate to do something about them or at least to make study of them—or else asks Congress to do something about them.

A classical illustration of this general procedure is found in his recent message about our natural resources. Of course, as the President well warns, we have been more than profligate with a number of our exhaustible resources. It is, moreover, by no means clear that those, including the President, who wish to take steps to increase the rate of our "growth" always remember this simple fact. It would serve no good purpose to present a bill of particulars here, but the situation in some instances is not much to the liking of informed citizens with the good of their country at heart. The trouble is that the President seems to suppose that most of our resources hazards are the direct responsibility of the Federal Government. To our way of thinking it would be only the most unusual case, if any, that private enterprise in response to profit opportunities would not and will not do all that can feasibly be done to eliminate these situations and do so far more effectively than the Federal Government.

Some Dangerous Suggestions

In a good many instances, the President has mentioned conditions or situations apparently for the purpose principally of gaining whatever political advantage there is in making it clear that he is aware of them and has been thinking about them. The fact is, though, that in sundry other instances he quite evidently would proceed in costly and generally unfortunate ways of trying to do something about conditions which private enterprise is much better able to cope with. It seems clear that he would proceed wih vigor to the development of the TVA idea and technique all over the United States—so far as conditions permit. Of course, we do have devastating floods as do all other countries, and, of course, there is much waste in the washing away of the soil. Of course, too, there are a good many places where waterpower can be developed sometimes in a large way. But such facts as these do not by any means prove the desirability of TVA's, big and little, all over the land.

Now all this would remain quite as true were the President presently able in one way or another to gain universal popular support for his programs. The politician, and we are afraid a good many others, too, often appear to assume that all the people or even a very large majority of all the people must be right about such technical things as these—a sort of *vox populi, vox dei* notion. Of course, there is no grain of truth in this notion. Many of these matters are of a highly technical nature and very complex, far too difficult for popular consumption. Even the very elect must at times feel their way with care and some trepidation. Experience has again and again and again demonstrated that personal charm, a certain persuasiveness and a knack for "influencing people" are the controlling influences in winning popular support for intricate proposals which quite obviously are to be approved, if at all, upon wholly different grounds.

A Forgotten Distinction

All this has, of course, always been true. Even at the turn of the century this factor had become rather obviously a potent factor in the American scene. Lord Bryce, for many years Ambassador of Great Britain to this country, and universally regarded as one of the most penetrating analysts of both the strength and weaknesses of our system of government, remarked at length upon it in the second volume of his great "American Commonwealth." Said he:

*"It is now * * * agreed * * * that they (the rank and file) must be allowed to determine ends. This is in fact the essence of free or popular government, and the justification for vesting powers in numbers. But assuming the end to be given, who is best qualified to select the means for its accomplishment? To do so needs in many cases a knowledge of the facts, a skill in interpreting them, a power of forecasting the results of measures, unattainable by the mass of mankind. * * * If the masses attempt it they will commit mistakes not less serious than those which befall a litigant who insists upon conducting a complicated case instead of leaving it to his attorney and counsel. But in popular governments this distinction between ends and means is apt to be forgotten."*

We may add that it is all too rarely remembered in this day and time—to our mortal danger.

Federal Spending for Full Employment Imperils Dollar

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the recession worse and crippled Dick Nixon's chance for the Presidency." One wonders whether the *Time* writer fully realized that in making this statement he charged the Eisenhower Administration with having been willing to endanger, with its eyes wide open, the nation's monetary stability in order to gain a political advantage.

Such statements—and they are far from rare in the American press — certainly do not inspire confidence in the willingness of the American people to protect the dollar.

The handling of the London crisis, itself, was another kind of "Pearl Harbor" — as the consequences may be alarmingly serious in the long run. Even though the Treasury and the Federal Reserve must have been aware in early October that a crisis was approaching, no arrangements for an emergency were made, and when the storm broke in London —opening prices in London are fixed at 11:30 a.m., that means at a time when Washington and New York officials were barely having breakfast — critical hours passed before anything was done. Frantic calls brought the Executive Director of the Bank of England, who happened to be in Canada, to an emergency meeting in Washington, where the present support scheme was agreed upon, under which the Bank of England is selling enough gold to keep the price in the London market below \$36, while reimbursing itself through gold purchases in New York. The scheme is obviously costly. Between the end of October and the end of January, American gold reserves have declined by more than \$1 billion, but how much of this loss was due to the spport of the London gold market is a carefully kept secret of the authorities?

Where Do We Stand Now?

"In 1960," wrote Sylvia Porter in her year-end column, "you and I, the American public grew up—left behind us the grandiose, childish illusion that 'I can do anything I want and I'm so powerful, nothing can hurt me'." Early in 1960, she added, her readers would not have been interested in balance of payment problems, and she was chided for "going over the heads" of her readers, when in September she wrote a series of columns on the gold problem. Is Sylvia Porter right? Has America grown up sufficiently to face reality?

During the month of December, confidence in the dollar seemed to strengthen, although the "stability" of the London gold price was probably largely the result of support buying by the Bank of England for the account of the U. S. Treasury. Various "technical" measures undertaken by the Ensenhower Administration, once the elections were out of the way, gave the world the impression that Washington was determined to protect the dollar, even though Secretary Anderson's ill-prepared "hat-in-hand" mission to Bonn, which betrayed a strange lack of comprehension of political imponderables and of the psychology of international financial markets, did more harm than good. Most reassuring to the world during the month of December were the obvious efforts of the President-elect to prove that, despite campaign promises and the Democratic platform, he was not a wild-eyed inflationist or a starry-eyed social reformer.

International confidence rests on a dual foundation. It is based on the one hand on what might be called "collateral," and on the other on imponderables, a multitude of factors which determine a nation's credit standing. America's "Collateral," as far as international liquidity is concerned, is far from impressive. Short-term obligations total about \$21 billion, while gold holdings are down to less than \$17½ billion. To the latter must be added, however, some \$3.3 billion of American short-term claims against foreigners (although some of these can hardly be regarded as liquid) and our drawing rights on the International Monetary Fund, so that, in theory at least, as President Kennedy has pointed out, our actual and potential cash assets exceed at present our cash liabilities. But the margin is slim and the statistical picture is certain to become less favorable during the next six months, as our balance of payments continues to show a deficit of \$2-\$3 billion. Even if we could eliminate the deficit during the second half of the year, our current obligations are such that we could not meet, from a psychological point of view, a concentrated "run."

The future of the dollar, and thus of the monetary stability of the free world, thus depends upon our ability to strengthen the confidence of the world in our determination to preserve our monetary system — if necessary at considerable sacrifice. In a recent issue of its *Monthly Letter*,[4] the First National City Bank drew attention to the fairly high degree of correlation between gold losses and domestic inflationary measures. While the United States has had a continuous large balance of payments deficit since 1958, the heavy gold losses occurred in two waves. The first coincided with the \$12 billion "anti-recession" deficit which Congress voted in 1958. The losses grew smaller when the budget was balanced in 1959, and the Federal Reserve adopted a restrictive credit policy. Gold losses increased again sharply in 1960, despite the substantial improvement in the balance of trade, apparently because the world became frightened anew by the inflationary campaign promises.

The heavy gold losses of the past year are thus not merely the result of a decade of gradually growing balance of payments deficits (even though these deficits form, of course, the basis of our gold losses), but of the declining confidence of the world—including many Americans — in the wisdom and willingness of the government and the pressure groups to cope with the domestic causes of our gold problem, namely chronic inflation. Capital movements are not governed exclusively by rational calculations; "feelings" very often play as important a part. The fact that in 1960 short-term rates in London and Frankfurt were 2-3% higher than in New York no doubt contributed to the transfer of funds, but the flow was swelled by the "feeling" that the Mark—and, for the moment at least, even the Pound — are stronger currencies than the dollar. Long-term capital investments abroad are determined by cost calculations and market surveys, but also by the "feeling" that the gap between American and foreign competitive strength is likely to widen rather than diminish in the years to come.

Three Basic Domestic Problems Facing Kennedy

There are three basic domestic economic problems which face the new Administration:

(1) the still deepening recession;

(2) The distinct possibility of chronic unemployment;

(3) The sluggish growth rate of the American economy, as compared with the far more rapid growth rates of the communist, as well as European and Japanese economies.

While the current business recession has little or no direct effect on the position of the dollar, the indirect effects may become serious in the months to come. Business cycle forecasts, far from being a science, are a risky business. A year ago, the prognosticators were in almost complete agreement that 1960 would prove a boom year. In June, the Administration still predicted a surplus in the Federal budget of \$4½ billion — actually, we shall be fortunate, if we can manage to close the current fiscal year without another deficit. Instead of the expected "record steel output," steel production by the end of 1960 sank to the lowest non-strike level in 20 years.

Despite these unfortunate miscalculations of last year, we are at it again. "Predicare necesse est, vivere non est," to paraphrase the old Romans. This time we seem to be in general agreement—except for a few "pessimists"—that we are confronted with a "plate shaped" (and not even a soup-plate) recession, which will end during the second, and certainly during the third quarter; that steel production during the first half of 1961 will run about 10% larger than during the second half of 1960, and materially larger during the rest of the year; that auto production (despite the near record year just concluded) will amount to 6.2 to 6.5 million cars (as against 6.7 million in 1960 and 7.9 million in 1955); and that the balance of payments deficit will decline to less than \$2 billion (although gold losses in January were running at an annual rate of almost \$4 billion).

Cyclical-Structure Uncertainties

All this may very well prove to be sound forecasting, although some highly respected experts have their fingers crossed. The proxy fight over the control of Alleghany Corp., for instance,

[4] First National City Bank, *Monthly Letter*, January, 1961, p. 10.

springs to some extent from the belief of Allan Kirby that the time calls for caution, while the Murchisons expect a continued inflationary boom. Colonel Harwood and the American Institute for Economic Research warn that the present slow-down differs in important aspects from the other three postwar recessions of 1948-49, 1953-54, and 1957-58. They point to the fact that after each recession both interest rates and unemployment ended at a higher level than during the preceding recession, indicating a gradual structural change in the economy; that liabilities of business failures (a fairly reliable cyclical indicator) are considerably higher in this recession than in the preceding ones; and, above all, that the unused liquid resources which made possible the spending boom during the immediate post-war years and which served as a basis for the vast credit expansion of the 1950s, are to a large extent used up by this time.

Given these cyclical uncertainties, the world is confronted with two important questions: Will the American people, and the liberals now straining at the leash in Washington and Cambridge, have the patience of letting the "plate-shaped" recession work itself out during the next 6-9 months, or will they rush in with "anti-cyclical" measures, which would not become effective for another 6-12 months, and could then provide the basis for another inflationary spiral? And what will be the attitude of the American people and their leaders, if the business prognosticators should prove as wrong in 1961 as they were in 1960, and instead of the promised recovery the economy should continue to stagnate? What policies will the Administration adopt? Will it be another dose of the by now somewhat stale anti-cyclical deficit spending remedy? Or will we have the courage of facing the basic causes of the weakness of the American economy?

Again let it be said, that confidence is based not only on what the Administration promises to do, but on what "experts" close to the Administration suggest should be done or predict will be done. Hence the disturbing effect of some of the "task force" reports. Dispatches from Washington—which are studied carefully throughout the world — speak of "liberals" prepared "to bull their plans through" without regard to the effect on the dollar, and Mr. Meany of the AFL-CIO is quoted in the press as saying that the "enemies of progress" are using the gold situation as a pretext to block social legislation and "water down wage gains for labor." Such statements cannot but add to the tension in world markets. A sudden rush of "anti-cyclical" measures; heavy government spending to "put the economy into high gear," if the recovery should fail to materialize by mid-year; a vast expansion of welfare spending as recommended by the Hansen Galbraith school and by the unions, could very easily weaken the confidence in the dollar to such a degree that the United States might be forced into abandoning gold payments within the next 12 months, even though President Kennedy "pledged" and "committed" himself not to devalue the dollar. After all, as the Europeans insist on pointing out, President Roosevelt made similar promises and disregarded them when a policy of economic nationalism and dollar depreciation seemed politically expedient at the moment.

The fact is that the future of the dollar depends no longer only upon Congress and the White House, but upon America's foreign creditors, and these in turn do not judge the soundness of the dollar by promises and neat financial statistics, but on basis of the domestic policies adopted, or likely to be adopted, and the willingness of the new Administration and Congress to accept the "discipline of the balance of payments," even if it should prove politically inconvenient.

Chronic Unemployment

By far the greatest threat to monetary stability is the possibility of continued high unemployment, because of the political and social dynamite involved. During the 1950s the American labor force increased relatively slowly because of the low birth rate during the 1930s and early 1940s (the opposite was the case in Soviet Russia). During the 1960s the labor force will increase relatively rapidly because of the baby boom since the end of the war (again the opposite will be the case in Russia which suffered a severe reduction in the birth rate as a result of the war and the immediate postwar dislocations). In the years to come, the United States will thus need each year relatively more jobs than during the 1950s to maintain full employment.

To aggrevate the problem, institutional factors which developed during the 1950s as a result of the relative scarcity of skilled workers, and the politico-economic power of the unions to push up wages and impose featherbedding upon the nation, militate against increased employment. Automation, the logical result of a scarcity of skilled workers and steadily rising wages, will not be abandoned just because the labor supply trends have changed. The migration of American industry abroad (a development, by the way, which is quite similar in cause and effect to the migration of Roman industry from Italy during the second century which helped to weaken the Roman empire) will not stop even though Congress may change the tax laws which now favor such migration. Most important of all, the unions still refuse to see the change which is taking place and continue to see the salvation for themselves and the nation in higher wages and greater purchasing power.

In January 1961, the American civilian labor force amounted to about 71.3 million. Of these about 5 million (7%) were unemployed. The American economy thus provided about 66 million jobs. By 1965, the labor force will have increased to more than 77 million. "Full Employment," the avowed goal of the Administration, calls for jobs for about 97% of the labor force. In other words, by 1965 we shall need about 75 million jobs, 9 million (13%) more than today. If we define "full employment" as having been achieved if the rate of unemployment has been reduced to a "politically acceptable" 4½%, we shall need some 7-8 million additional jobs by 1965.

Wrong Way to Increase Jobs

Increased jobs call for increased consumption, and the Keynesians and union leaders see the road to increased consumption in higher wages, cheap credit and deficit spending. We have tried these remedies—enthusiastically under Truman and half-heartedly under Eisenhower—for the past 15 years, and yet, in the words of President Kennedy, the results were "seven

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months of recession, 3½ years of slack, 7 years of diminishing economic growth, and 9 years of falling farm income," and he should have added: a 65% increase in the cost of living since 1945, and the destruction of our international monetary supremacy. Germany, in the meantime, which abandoned the Keynesian recipe as soon as she was free to govern herself, has experienced the most rapid growth of any country, the German mark is today one of the strongest currencies in the world, and the future of the dollar depends to a large extent upon the willingness of the German Bundesbank not to convert its $3 billion short-term dollar balances into gold.[5]

Unfortunately, the economic advisors of the new Administration seem to have learned nothing from past experience. The notion of "full employment" continues to be regarded as the uppermost goal of American policy, and the methods to achieve the goal are still the same Keynesian tricks which now threaten to wreck the dollar and America's international position in general. It is worthwhile to recall at this time, how this blind spot in American thinking developed. Criticizing the "full employment" philosophy—namely the notion that the government must pursue a policy to assure a job to anyone who wishes to work — does not mean, of course, advocating unemployment and misery. It does mean, however, that there is a difference between jobs being created through the free interplay of supply and demand, and jobs being created through inflation by government fiat. It is the latter type of "full employment" policy which the United States has followed since the end of the war, and which is still advocated by the Presidential advisors and union leaders.

Can Government Provide Jobs?

When World War II was drawing to a close, the great majority of the American people and both political parties seemed resolved that the United States was not to return to the mass unemployment of the 1930s. "Any postwar government which is not dedicated to full employment will fail its people" declared Vice-President Wallace, and Governor Dewey replied: "We Republicans are agreed that full employment shall be the first objective of national policy." The result was the Employment Act of 1946, which was backed by no less than 40 national organizations with many millions of members — liberals, union members and many more who dreaded a return to the drab poverty of the 1930's. "One is either for a full employment program with responsibility in the government, or for unemployment" proclaimed Senator Murray, one of the loudest "liberals" of the day, and *The New Republic*, in a burst of sheer demagoguery, proclaimed "Congress wants Unemployment," because Congressmen had voted against deficit spending.

The "full employment" philosophy which underlies the Employment Act of 1946 is based on two premises. Man, as a social being, has an inherent right that society provide him with an opportunity to earn a decent living. As the then Secretary of Commerce Henry Wallace wrote in 1945: "The essential idea is that the Federal Government is ultimately responsible for full employment." The second premise, in the words of The New York *Times*, assumed that "private enterprise, left to its own devices, cannot provide sufficent employment." "A free-market economy is risky, uncertain, and inherently unstable" proclaimed Professor Alvin Hansen, the great popularizer of Keynesianism in American universities. "The Government can no longer stand by while the economy plunges from 'boom to bust,' Thus it has at long last become necessary for the government to take positive action designed to provide a stable and adequate flow of total expenditures sufficient to assure full employment."[6]

From the very outset, Senator Taft and others who fought the Employment Act, especially in its original more radical form, challenged the ability of the government to create and maintain full employment without the gradual destruction of economic freedom and without causing chronic inflation. The first argument did not impress the "liberals." "The independent businessman" wrote *The Nation*, "will be wise to do less worrying about sacred-cow words like 'free enterprise'".[7] The problem of inflation was less easy to brush aside. The great British apostle of full employment, Lord William Beveridge, whose theories were widely accepted in this country after the war, advocated increased government spending and cheap money because "rigidly orthodox finance" represents "an impracticable route to full employment." To curb the danger of inflation, Lord Beveridge proposed to sacrifice free enterprise. He suggested that wages and prices be frozen and investments and in fact, all aspects of the economy regulated.[8]

The British Labor Party Government followed the Beveridge plan, by keeping unemployment at an artificially low level and trying at the same time to prevent inflation through rigid economic controls. The result was economic stagnation which threatened Great Britain periodically with international bankruptcy. And yet, inflation continued, so that in 1956, Lord Beveridge complained that because of the lack of wage and price controls full employment "is leading to the destruction of the value of money, and is spreading wide-spread poverty among all who are trying to live on savings or fixed pensions."[9]

Misgivings About Price Inflation

The danger of a full employment policy leading to inflation was fully recognized in this country. "I belive that the declaration (the preamble of the Full Employment Act) would have been better if it had made reference to the maintenance of general price stability as a complimentary goal of economic policy"[10] declared President Truman's Secretary of the Treasury John W. Snyder. And William McChesney, Martin, then as now Chairman of the Board of Governors of the Federal Reserve System, referred to "the possible weakness in the declaration . . . that it makes no specific mention of policy to prevent inflation."[11] But Mr. Snyder as well as Mr. Martin and millions of Americans who accepted the full employment policy with mixed feelings, hoped, that, in the words of Secretary Snyder "in promoting the aims of the Employment Act of 1946, price stability has been kept in mind."[11]

This, however, was by no means the interpretation of the advocates of "full employment." Dr. Keyserling, speaking as Chairman of President Truman's Council of Economic Advisors objected to "making price stability a goal that competed with the objectives of maximum employment."[12] The CIO argued that "obviously budget balancing cannot have priority over the objectives of full employment;"[13] and in the most widely used economic textbook in the United States, Professor Samuelson, who is now a special economic advisor to President Kennedy, wrote, "If price increases can be held down to, say, less than 5% per year, such a mild steady inflation need not cause too great concern."[14]

While it is impossible to prove statistically that the "full employment" policy since the war was primarily responsible for the depreciation of the dollar, there is no doubt that the notion that "the Federal Government is ultimately responsible for full employment" was one of the chief contributing factors, in addition to the vast expansion of public and private credit pyramided on top of the huge unused liquid resources of private individuals. And — this should be emphasized — despite the sharp rise in the cost of living and the growing distrust of the dollar at home and abroad, the "full employment" goal has not been achieved; it is actually receding before our eyes.

Full Employment and Growth

President Kennedy's advisors, however — virtually all of them highly respected middle-of-the-road liberals and Keynesians—do not see it that way. Professor Samuelson in particular holds to the theory that deficit spending and an easy credit policy do not result in higher prices as long as there is unused plant capacity and widespread unemployment. If we confine ourselves to abstract models, the theory is perfectly logical, but past experience seems to indicate that the two Keynesian remedies — plus union pressure — do not necessarily add up to full employment, but more often lead to higher prices. The Presidential advisors also argue that deficit spending by the government does not mean inflation, because it will result in increased production, and hence in higher tax revenues, which will ultimately off-set the increase in spending.

Unfortunately, bankers, business leaders and investors are often unaware of what *should* happen according to pure theory, and in their own unsophisticated way they reason from past experience that increased government spending usually leads to more inflation and hence a further weakening of the dollar, and that under these circumstances it is wiser to hold gold rather than dollars.

The world is faced with the struggle of two economic theories, and it is our misfortune that the dollar is caught in the middle. The Keynesians, who predominate in Washington, still believe that they can achieve full employment and accelerated growth, through government spending, while the opposition, which is steadily gaining prestige in Europe, believes that government spending merely produces a hot-house inflation-fed prosperity, which in due course must give way to stagnation or collapse.

Washington is acting according to the Keynesian theory, and Europe is reacting according to the anti-Keynesian way of thinking. As a result, the more Washington is going to rely on government spending and easy credit to restore prosperity and speed economic growth, the stronger will become the tendency of the non-Keynesians to convert their dollar balances into gold.

This is the dilemma which faces the President.

Senator Douglas wants to expand welfare spending at a rapid rate, even though he admits that welfare spending increased from $1.9 to $7 billion during the prosperous 1950s, and to $8 billion in the current fiscal year, not counting $5 billion in veterans benefits and grants to states to help pay the relief for the needy. Farm subsidies which, as Senator Douglas has often pointed out, have proven completely ineffective, have increased from $905 million in 1951 to about $3.4 billion this year.

Yet on top of these rapidly increasing welfare expenditures which have obviously not assured continued prosperity and growth, Senator Douglas and other liberals wish to pyramid more aid to farmers, unemployed, so-called distressed areas, cities, education, etc. All this may mean a cash deficit of $1 billion or more for the current fiscal year, and of $7 or more billion for 1961-62.

Opposes Central Tax Board

While Senator Douglas and Professor Samuelson wish to increase Federal spending, Professor Heller, supported by the unions, wants to reduce taxes, by having Congress give the Administration permanently the power to reduce income and other taxes as the Administration deems it advisable as part of its economic management. Quite aside from its dubious constitutional aspects and its effect on the traditional American division of power between the legislative and executive branches of government, the plan would place into the hands of the President such far-reaching financial powers that in using them adroitly, he could easily perpetuate himself and his associates in power.

Do we really believe that if income taxes were reduced for 1961-62 to combat the present recession, that the Administration would increase the taxes before the 1962 Congressional elections? Or will we increase the taxes before the Presidential election of 1964? To judge from the degree of fiscal responsibility of the past three Administrations which have governed this country for almost 30 years, the Heller plan would almost certainly mean a policy of continuous deficit financing, much as the sponsors may wish it otherwise.

How can such plans strengthen the confidence in the dollar?

Professor Heller advocates speeding economic growth through increased "investments" in education. But the way in which Washington uses the term "investments" differs radically from the generally accepted usage in business. Does he really think that Basketball and football teams, multimillion dollar sports arenas, drum majorettes in skanty dresses, courses in fly casting, arrow shooting, and "life adjustment," the whole fantastic proliferation of courses and administrators at all educational levels, can really be called an "investment" in the sense of increasing America's productivity and military strength? Or does he really think that Federal dollars for education will be spent more wisely than state and local dollars?

Washington and the American people as a whole suffer from an often naive over-estimation of the power of money. By this time we should know that money, in the form of foreign aid, does not buy friends and allies, and most people realize that money may produce a Hollywood "super-spectacle" but not necessarily a great picture. We have not yet learned, however, that money, in the form of deficit spending, does not produce prosperity; and while money may pay for football teams, and a multitude of educational fads, it does not buy a sound education. Like the modern neurotic who thinks he can cure his many ills by taking more vitamin pills, and in the end either wastes his money or poisons his system, we are still the victims of the illusion that all our ills will disappear in due course if we only spend enough money; in the past, it was increased consumer spending, and now it is the new brand of the Hensen-Galbraith "social consumption."

The Road to Sanity

The position of the United States is by far not as secure as it was pictured in President Eisenhower's State of the Union Message, but, on the other hand, it is less desperate than President Kennedy described it, although the pessimistic Kennedy Message may have performed the very valuable service of awakening a few more people to the dangers which we face. If we could increase exports by 10% (not including, of course, the dumping of farm products), and reduce imports by 10% (not through import restrictions, but by becoming more competitive) we could eliminate the balance of payments deficit without abandoning our international commitments. But this is not an easy goal. Even during the recession year of 1960, the total of wages and salaries increased by about 6% while the output of goods and services rose by less than 3%, a fair indication that the much decried "lack of purchasing power" is not necessarily the cause of the decline in business activities.

Government, to a large extent, has abdicated its authority in the face of union power, whatever the consequences may be for the nation. The settlement of the steel strike, embodying the "right" of the unions to demand annual wage increases; and worse, the settlement of the New York tug boat strike, re-affirming the "right" of unions to prevent with strong arm methods, the reduction of featherbedding, represented serious setbacks to the American prestige abroad. Increased man-hour production is not primarily an achievement of labor calling for higher wages, nor is it entirely an achievement of management calling for higher dividends. It is the result of a long social process in which the pure scientist in some obscure laboratory may have more to do with the increase in production than the worker who tends the new machine. Increased productivity thus should be used primarily—and for the time being in its entirety — for a gradual lowering of prices. A 10% reduction in steel and automobile prices and in building costs could do more for the dollar and go further toward restoring America's position in the world than all the measures now under consideration in Washington.

As Senator Douglas has often suggested, farm policies should be directed toward *lower* farm prices with direct subsidies paid to sub-

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5 It may be irony of fate that Professor Heller who is now Chairman of the Council of Economic Advisors, and who in 1948 was fiscal advisor to the Military Government of General Clay, joined other American experts then stationed in Germany in taking a very din view of the "deflationary" policies of Professor Erhard and the German Laenderbank.

6 Alvin H. Hansen: *Economic Policy and Full Employment* (1947) p. 233-34.

7 I. F. Stone: *Capitalism and Full Employment, "The Nation,"* September 1, 1945, p. 198.

8 Lord Beveridge: *Full Employment in a Free Society*, p. 201.

9 London speech of October 20, 1956 quoted in the *First National City Bank "Monthly Letter,"* April 1957.

10 "Monetary Policy and the Management of the Public Debt," Joint Committee on the Economic Report (Patman Committee), 82nd Congress, 2nd Session Part 1, p. 16.

11 *Ibid.* p. 238.

12 *Ibid.* p. 847.

13 *CIO, Maintaining Prosperity*, Report by the Committee on Economic Policy, 1953, p. 39.

14 Paul A. Samuelson: *Economics*, First Ed., p. 282. In the second edition Professor Samuelson still regarded a 5% depreciation as something America need not worry about, but he reduced the acceptable annual depreciation to 3% in the third edition (p. 250) and to 2% in the fourth edition (p. 270), and in a recent interview he declared himself as actually opposed to chronic inflation.

marginal farmers. Above all, we should return to the principle of holding those who handle public money responsible for sound financial management. Any official, whether sergeant or general, school superintendent or cabinet minister, should be relieved of his duties, if found guilty of obvious waste and mismanagement.

President Kennedy can restore America to financial and economic health, and rebuild our position abroad, but he will not achieve the goal by more spending.

Howell Instrum. Cap. Stk. Offered

Howell Instruments, Inc. of 3479 West Vickery Blvd., Fort Worth, Texas, offered on March 1, 140,000 outstanding shares of capital stock for public sale through underwriters headed by Dewar, Robertson & Pancoast. The public offering price was $14 per share.

The company (formerly named B & H Instrument Company, Inc.) is engaged in the design, development, manufacture and sale of precision electronic and electromechanical instruments for use in testing instrument systems, and for measurement, automatic control, and recording applications. On July 25, 1960, two affiliates, Howell Instrument Co. and Howco, Inc., were merged with the company, at which time the company adopted its present name. Another affiliate, Howell Instruments of Puerto Rico, Inc., is a wholly-owned subsidiary of the company. The Puerto Rican company manufactures component parts for the products manufactured by the company.

Torque Controls Com. Marketed

Public offering of 225,000 shares of common stock of Torque Controls Corp. at a price of $1 per share was made on March 1 by Russell & Saxe, Inc.

Net proceeds from the sales of the common shares will be used by the company to purchase additional machinery and equipment; to research and develop new products: and to repay two loans. Balance of the proceeds will be added to working capital.

Torque Controls Corp., with executive offices and manufacturing facilities in San Gabriel, Calif., designs and manufactures precision torque wrenches, torque meters and torque screwdrivers. The company was incorporated in January 1961 upon acquiring all the outstanding stock of Torque Controls, Inc. The latter company began operations in May 1957.

The torque instruments are used in the construction of precision-engineered devices, including airplanes, rockets and missiles, to avoid vibration resulting from variation in tightening. The torque wrenches and screwdrivers permit proper and uniform tension of metal fasteners such as bolts and studs.

Net sales reported by the company for the 10-month period ended Oct. 31, 1960 were $271,715. For the fiscal year ended Dec. 31, 1959, the company's sales amounted to $115,608. Upon completion of current financing, outstanding capitalization of the company will consist of 525,000 shares of common stock.

Form Hanover Managem't

BOSTON, Mass. — Hanover Management Corporation has been formed with offices at 75 Federal Street to engage in a securities business. Officers are Michael A. Harris, President; Robert N. Stone, Vice-President and Treasurer; Neal Brown, Assistant Treasurer; and George A. McLaughlin, Jr., Secretary.

$30 Million Bonds Of Alabama Agency Offered

A group headed by Halsey, Stuart & Co., Inc., Lehman Brothers, Smith, Barney & Co. and C. J. Devine & Co. is offering $30,000,000 Alabama Education Authority 5%, 3.40%, 3¼% and 3% capital improvement bonds due 1962-1981, inclusive, at prices to yield 1.50% to 3.50%.

Among other members of the offering group are:

A. C. Allyn and Company, Inc.; Blair & Co., Inc.; Blyth & Co., Inc.; Drexel & Co.; Equitable Securities Corp.; Glore, Forgan & Co;. Goldman, Sachs & Co.; Hornblower & Weeks; Ladenburg, Thalmann & Co.; W. H. Morton & Co., Inc.; John Nuveen & Co., Inc.; Paine, Webber, Jackson & Curtis; Phelps, Fenn & Co.; R. W. Pressprich & Co.; L. F. Rothschild & Co.; Sterne, Agee & Leach; Stone & Webster Securities Corp.; Dean Witter & Co. and Bache & Co.

Eastern Bowling Com. Marketed

Schirmer, Atherton & Co., and associates offered publicly on March 1, 150,000 shares of Eastern Bowling Corp. class A common stock, $1 par value, at $6.25 per share.

Eastern Bowling Corp. was organized for the establishment and operation, directly or through subsidiaries, of "ten pins" bowling centers and related facilities. It now owns and operates two bowling centers, in Hartford, Conn. and Shrewsbury, Mass.

Net proceeds from the sale of stock will be used to establish bowling centers in Quincy, Natick, and New Bedford, Mass., and three other centers at locations not yet determined.

Joins Blyth Staff

PHILADELPHIA, Pa. — Blyth & Co., Inc., 2 Penn Center Plaza, announces that Walter F. Weidler, Jr., is now associated with them in their Municipal Department.

Form Central Securities

RED BANK, N. J.—Central Securities has been formed with offices at 103 East Front Street to engage in a securities business. Alex L. Hassinger is a principal.

Moors & Cabot To Admit

BOSTON, Mass.—Moors & Cabot, 111 Devonshire Street, members of the New York and Boston Stock Exchanges on March 9 will admit Courtney F. Bird to partnership.

Vincent, James in N. Y. C.

Vincent, James & Co., Inc. is engaging in a securities business from offices at 37 Wall Street, New York City. Vincent J. Agostino is a principal of the firm.

With Calif. Investors

PASADENA, Calif.—Benjamin J. Rio has been added to the staff of California Investors, 690 Green Street.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Mar. 5	54.0	54.0	50.0	92.8
Equivalent to—					
Steel ingots and castings (net tons)	Mar. 5	1,582,000	1,582,000	1,466,000	2,645,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Feb. 17	7,166,910	7,174,210	7,215,510	7,249,260
Crude runs to stills—daily average (bbls.)	Feb. 17	8,447,000	8,405,000	8,357,000	8,081,000
Gasoline output (bbls.)	Feb. 17	28,689,000	28,452,000	28,902,000	28,518,000
Kerosene output (bbls.)	Feb. 17	2,917,000	3,153,000	3,319,000	2,099,000
Distillate fuel oil output (bbls.)	Feb. 17	15,935,000	15,662,000	14,819,000	12,619,000
Residual fuel oil output (bbls.)	Feb. 17	6,170,000	7,018,000	6,306,000	6,785,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Feb. 17	218,003,000	215,330,000	204,767,000	212,942,000
Kerosene (bbls.) at	Feb. 17	23,944,000	25,014,000	28,826,000	22,987,000
Distillate fuel oil (bbls.) at	Feb. 17	97,329,000	100,540,000	123,226,000	112,597,000
Residual fuel oil (bbls.) at	Feb. 17	42,777,000	42,137,000	45,235,000	46,421,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Feb. 18	502,234	486,347	490,049	570,099
Revenue freight received from connections (no. of cars)	Feb. 18	492,804	468,184	455,675	540,163
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Feb. 23	$397,200,000	$329,100,000	$269,200,000	$307,800,000
Private construction	Feb. 23	225,100,000	197,500,000	129,000,000	202,200,000
Public construction	Feb. 23	172,100,000	131,600,000	140,200,000	105,600,000
State and municipal	Feb. 23	145,200,000	106,100,000	87,000,000	90,100,000
Federal	Feb. 23	27,000,000	25,500,000	53,200,000	15,500,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Feb. 18	7,120,000	7,360,000	6,975,000	7,400,000
Pennsylvania anthracite (tons)	Feb. 18	430,000	440,000	412,000	389,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Feb. 18	115	111	107	107
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Feb. 25	14,239,000	14,315,000	15,361,000	14,200,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Feb. 23	348	374	400	277
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Feb. 20	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Feb. 20	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	Feb. 20	$33.50	$33.50	$31.50	$37.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Feb. 22	28.600c	28.600c	28.600c	32.700c
Export refinery at	Feb. 22	27.475c	27.100c	26.900c	32.150c
Lead (New York) at	Feb. 22	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Feb. 22	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Feb. 22	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	Feb. 22	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	Feb. 22	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Feb. 22	100.625c	100.750c	100.500c	100.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Feb. 28	88.96	89.25	87.67	82.67
Average corporate	Feb. 28	88.13	87.72	86.91	84.04
Aaa	Feb. 28	92.79	92.35	91.48	88.27
Aa	Feb. 28	90.77	90.48	89.37	86.51
A	Feb. 28	87.45	87.32	86.38	83.40
Baa	Feb. 28	81.90	81.54	80.81	78.55
Railroad Group	Feb. 28	84.81	84.43	83.91	81.90
Public Utilities Group	Feb. 28	89.37	89.09	87.99	84.04
Industrials Group	Feb. 28	90.06	89.78	88.67	86.11
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Feb. 28	3.68	3.65	3.82	4.30
Average corporate	Feb. 28	4.55	4.58	4.64	4.86
Aaa	Feb. 28	4.22	4.25	4.31	4.54
Aa	Feb. 28	4.36	4.38	4.46	4.67
A	Feb. 28	4.60	4.61	4.68	4.91
Baa	Feb. 28	5.03	5.06	5.12	5.31
Railroad Group	Feb. 28	4.80	4.83	4.87	5.03
Public Utilities Group	Feb. 28	4.46	4.48	4.56	4.86
Industrials Group	Feb. 28	4.41	4.43	4.51	4.70
MOODY'S COMMODITY INDEX	Feb. 28	367.3	362.0	361.2	371.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Feb. 18	282,504	303,580	297,119	298,097
Production (tons)	Feb. 18	298,124	301,286	310,328	329,793
Percentage of activity	Feb. 18	87	90	90	96
Unfilled orders (tons) at end of period	Feb. 18	389,973	407,005	388,200	440,962
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Feb. 24	110.97	110.92	110.65	111.12
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Feb. 3	3,573,940	3,331,120	2,119,340	2,003,090
Short Sales	Feb. 3	830,810	671,160	371,430	341,580
Other sales	Feb. 3	2,826,300	2,478,070	2,053,600	1,812,410
Total sales	Feb. 3	3,657,110	3,149,230	2,425,030	2,153,990
Other transactions initiated off the floor—					
Total purchases	Feb. 3	427,730	453,700	272,350	283,250
Short Sales	Feb. 3	74,800	34,100	39,100	84,700
Other sales	Feb. 3	396,000	409,400	327,930	284,420
Total sales	Feb. 3	470,800	443,500	367,030	369,120
Other transactions initiated on the floor—					
Total purchases	Feb. 3	1,060,020	1,069,847	938,515	724,455
Short Sales	Feb. 3	251,860	167,400	98,200	153,560
Other sales	Feb. 3	1,096,680	969,220	888,575	723,323
Total sales	Feb. 3	1,348,540	1,136,620	986,775	876,883
Total round-lot transactions for account of members—					
Total purchases	Feb. 3	5,061,690	4,854,667	3,330,205	3,010,795
Short Sales	Feb. 3	1,157,470	892,660	508,730	579,840
Other sales	Feb. 3	4,318,980	3,856,690	3,270,105	2,820,153
Total sales	Feb. 3	5,476,450	4,729,350	3,778,835	3,399,993
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Feb. 3	2,699,047	2,199,889	1,638,932	2,037,091
Dollar value	Feb. 3	$138,631,125	$127,337,969	$80,598,746	$98,302,082
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Feb. 3	2,502,156	2,203,239	1,447,324	1,347,468
Customers' short sales	Feb. 3	11,576	13,119	10,214	15,553
Customers' other sales	Feb. 3	2,490,580	2,190,120	1,437,110	1,331,915
Dollar value	Feb. 3	$118,594,515	$114,340,529	$72,250,807	$65,384,666
Round-lot sales by dealers—					
Number of shares—Total sales	Feb. 3	686,100	675,334	441,740	295,720
Short Sales	Feb. 3	------	------	------	------
Other sales	Feb. 3	686,100	675,334	441,740	295,720
Round-lot purchases by dealers—Number of shares	Feb. 3	912,700	719,320	582,460	891,630
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short Sales	Feb. 3	1,326,570	1,034,440	622,350	753,950
Other sales	Feb. 3	24,159,030	21,656,560	14,379,760	13,651,930
Total sales	Feb. 3	25,485,600	22,691,000	15,002,110	14,405,880
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Feb. 21	119.9	120.0	119.9	119.3
Farm products	Feb. 21	89.3	90.4	89.9	87.3
Processed foods	Feb. 21	109.9	*110.2	109.9	105.9
Meats	Feb. 21	96.9	98.4	97.7	92.4
All commodities other than farm and foods	Feb. 21	128.2	128.2	128.1	128.6

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of January (000's omitted)	$247,660,000	$257,022,000	$230,119,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of Jan. 31.:	$	$	$
Imports	399,981,000	403,342,000	340,517,000
Exports	677,006,000	669,092,000	336,723,000
Domestic shipments	11,936,000	12,727,000	35,104,000
Domestic warehouse credits	287,107,000	295,446,000	122,954,000
Dollar exchange	118,245,000	121,800,000	149,381,000
Based on goods stored and shipped between foreign countries	534,881,000	524,122,000	244,723,000
Total	2,029,156,000	2,026,529,000	1,229,402,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of January:			
Manufacturing number	228	231	210
Wholesale number	151	130	98
Retail number	685	637	587
Construction number	219	245	193
Commercial service number	121	110	93
Total number	1,404	1,353	1,181
Manufacturing liabilities	$26,111,000	$18,788,000	$16,324,000
Wholesale liabilities	11,362,000	8,211,000	6,274,000
Retail liabilities	28,688,000	20,199,000	15,951,000
Construction liabilities	11,231,000	28,104,000	11,993,000
Commercial service liabilities	4,128,000	3,579,000	3,129,000
Total liabilities	$81,520,000	$78,971,000	$53,671,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of January	16,554	*14,579	18,139
CONSUMER PRICE INDEX — 1947-49=100— Month of December:			
All items	127.5	127.4	125.5
Food	121.4	121.1	117.8
Food at home	118.7	118.4	115.0
Cereal and bakery products	139.0	138.6	134.5
Meats, poultry and fish	110.5	109.9	106.6
Dairy products	119.3	118.9	116.7
Fruits and vegetables	126.3	126.2	125.5
Other food at home	111.6	111.6	105.4
Food away from home (Jan. 1953=100)	119.9	119.6	117.3
Housing	132.3	132.1	130.4
Rent	142.8	142.7	140.8
Gas and electricity	125.6	125.7	122.7
Solid fuels and fuel oil	137.0	136.3	137.3
Housefurnishings	103.9	104.0	104.2
Household operation	138.3	138.3	135.5
Apparel	110.6	110.7	109.2
Men's and boys'	112.0	112.0	109.1
Women's and girls'	101.1	101.4	100.3
Footwear	140.7	140.3	139.7
Other apparel	94.0	94.1	93.1
Transportation	146.5	146.5	148.7
Private	134.5	134.4	137.5
Public	202.9	202.9	197.2
Medical care	158.0	157.9	153.2
Personal care	133.7	133.9	132.9
Reading and recreation	122.3	122.5	120.4
Other goods and services	132.7	132.7	131.7
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of January:			
Weekly earnings—			
All manufacturing	$89.55	*$89.55	$92.29
Durable goods	90.08	*96.97	100.36
Nondurable goods	80.98	*80.18	80.77
Hours—			
All manufacturing	38.6	*38.6	40.3
Durable goods	38.9	*39.1	41.0
Nondurable goods	38.2	*38.0	39.4
Hourly earnings—			
All manufacturing	$2.32	$2.32	$2.29
Durable goods	2.47	*2.48	2.46
Nondurable goods	2.12	2.11	2.05
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of Jan.:			
Seasonally adjusted	102	103	111
Unadjusted	102	102	111
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S.—AUTOMOBILE MANUFACTURERS' ASSN.—Month of January:			
Total number of vehicles	497,955	611,264	572,666
Number of passenger cars	414,752	522,747	496,189
Number of motor trucks	82,893	88,167	76,077
Number of motor coaches	310	350	400
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of January (in billions):			
Total personal income	$406.3	*$406.9	$395.7
Wage and salary receipts, total	271.0	*271.4	268.2
Commodity producing industries	106.9	*107.3	112.6
Manufacturing only	84.2	84.6	89.4
Distributing industries	72.0	*72.3	69.9
Service industries	42.1	*42.0	39.4
Government	50.0	*49.8	46.3
Other labor income	11.0	11.0	10.6
Business and professional	35.5	*35.7	35.5
Farm	12.9	12.9	11.3
Rental income of persons	12.5	12.5	12.5
Dividends	14.0	14.0	13.9
Personal interest income	27.7	27.7	25.2
Transfer payments	31.0	*30.9	27.7
Less employees' contribution for social insurance	9.3	9.2	9.2
Total nonagricultural income	389.5	*390.1	380.2
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of January:			
Net sales	$5,615,000	------	------
Net purchases	------	$39,703,700	$17,549,500
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of Dec. (000's omitted):			
Exports	$1,742,000	$1,796,000	$1,674,500
Imports	1,157,100	1,160,800	1,477,800

Maintaining Canada's Economic Independence

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"floating" exchange rate on the Canadian dollar.

Before considering some of the recent criticisms of our free exchange-rate policy, and some of the measures offered as alternatives, I would like first to state what I consider to be its overwhelming advantage. It is the same advantage that recommended it to our monetary and fiscal authorities when the policy was adopted in September, 1950: namely, that it automatically neutralizes and renders inert the potentially explosive effect of international "hot money" flows.

It is sometimes argued that "times have changed," we "face new problems," and hot money of the 1950 variety is no longer one of them. But hot money is no longer a problem for Canada precisely because we *have* the free exchange rate. Hot money today is an embarrassment to West Germany and Switzerland, now on the receiving end; the outflow of hot money has become far more than a minor annoyance even to the United States with its enormous gold reserves, and is inhibiting its freedom of monetary and fiscal action to fight recession; and unpredictable inflows and outflows of hot money have plagued the British Treasury almost continuously since the end of the second World War.

The U. S. dollar and the pound sterling are the world's leading reserve currencies. As such they are depended upon by the many countries that hold a large part of their exchange reserves in pounds sterling or U. S. dollars to maintain a fixed rate of exchange. This is the burden of leadership in the exchange markets of the world, and it exposes these reserve-currency countries to large and unpredictable swings in their exchange reserves as hot money in the slipstream of rumor, fear, optimism or greed, sweeps at far greater than jet speed from one exchange market to another. Were we to revert to a fixed rate of exchange, we too would be faced with hot money swings of this magnitude. Under such conditions Canada might as well renounce all pretense to independence in monetary and fiscal policy.

There are those who argue that, whatever its past virtues, Canada's floating exchange rate has behaved very badly in recent years because it has been at what is called a "premium" over the U. S. dollar, even though we have been running a large current-account deficit in international trade and payments. Canada's exchange rate is actually determined by the forces of demand and supply in world exchange markets. Nevertheless, it is even argued that this rate is an "artificial" rate, and that it should be reduced forthwith, presumably to whatever these advisers on public policy define to be its "natural" level! In fact, of course, such a rate could only be a set, or artificial, rate—the *true* natural rate, whether high or low, is the current floating rate.

But, to say that the floating rate is natural does not mean that, when it is high, it wreaks no hardship on exporters and on domestic producers facing import competition. Nor does it mean that we must necessarily sit back and let nature take its course. But the proposals heard most often in recent months with regard to exchange-rate policy do not attack the fundamental causes of our discontents. Instead, they would launch a massive assault on the obvious, the innocent, or the merely symptomatic; and when the rate is high, they would call for monetary manipulation to reduce the exchange "premium" directly or, in a more sophisticated version, to reduce interest rates and through them the exchange "premium" indirectly.

Unfortunately for the success of such operations, both the exchange rate and the interest rate are merely indicators of real forces in their respective markets. They will respond only temporarily to monetary manipulation. We can change them, if we wish, but only by an appropriate change in the real forces that determine them.

It is time we stopped talking dangerous nonsense about using fiscal and monetary policy, not for their legitimate purposes, but as an allegedly "easy" way of bringing down the exchange rate or the interest rate, or both. We are blaming the steam gauge for the lack of pressure in the boiler. Instead of stoking the fire we are pushing the needle to the right, while the pressure continues to fall. There is no easy way to bring down our exchange rate or our long-term interest rates or to achieve an excess of exports over imports or to cut down on foreign borrowing, if we think any or all of these things desirable; and the sooner we recognize the facts of life as they relate to economic policy, the sooner we shall achieve the goals we seek.

I would suggest that our immediate goals at this time should be increased employment and balanced economic growth without inflation. And I would suggest further that these goals can be attained through appropriate monetary and fiscal measures buttressed by positive measures in a broader range of economic policy. They cannot be attained—indeed our problem can only be made worse—by concentrating on and trying, through monetary policy, to manipulate the exchange rate, or long-term interest-rate differentials between Canada and the United States.

III

The Internal Conditions of Monetary Independence

Independence in monetary and fiscal policy depends not only on freedom from undue interference from outside forces, which has been the burden of my remarks so far; it depends equally on effective domestic machinery through which policy may operate, and a healthy financial structure to implement that policy.

As can be inferred, quite correctly in fact, I do not share the critical attitude towards the Bank of Canada and its management that has found recent, and in some cases extreme, expression in the nation's press and elsewhere. I am opposed to the use of the Exchange Fund Account as an allegedly easy way to bring down the exchange value of the Canadian dollar and thereby presumably solve the problems of exporters and domestic manufacturers, and increase employment. I am also opposed to increasing the money supply as an allegedly easy way to bring down long-term interest rates and thereby presumably to cut down our dependence on foreign sources of saving for investment in Canada.

I am not opposed to an increase in the money supply under appropriate conditions, but the decision to increase the money supply should be taken for the right reasons and not for its presumed effect on the rate of exchange or on long-term interest differentials between Canada and the United States. I would include among the right reasons the existence of slack in the economy due to a general failure of effective demand—that is, the kind of slack, the kind of unemployment and overcapacity, that can be overcome through the brute force of monetary and fiscal policy.

I would not expect too much of this sometimes powerful force for good in the economy. In so far as unemployment in Canada is due, not to a failure of effective demand, but to structural faults in the economy, we shall still have too high a level of unemployment in spite of an increased money supply geared to an expansive fiscal policy.

Once this hard core of unemployment is reached, monetary and fiscal policy cannot help. We shall be forced to abandon the comparatively easy devices of monetary and fiscal policy and face the hard facts. We shall have to face up to the failure of labor mobility to keep pace, through retraining and through movement to appropriate areas and industries, with our rapid rate of technological change. We shall have to face up to our inflated costs and slow growth in productivity which together account for the greater part of all the ills that are currently blamed either on the exchange rate or on the monetary policy of the Bank of Canada. These real, and apparently chronic, problems are the true cause of abnormally high levels of unemployment in good times and bad and of the general malaise which has been accurately labeled "high-level stagnation."

In taking measures to meet these problems, which are beyond the power of fiscal and monetary policy to solve, we must avoid, except as purely temporary measures, all forms of cost-inflating "make work" or "share the work" schemes: and I would include in this category any increases in tariff or other protection prompted merely by calculations (which may be wrong) of their direct effect on employment. Such measures could result in immediate retaliation at the expense of our exporters.

It is often said in defense of make-work schemes that our export industries, especially in the resource field, though highly efficient, are not large employers of labor. The implication is that we should encourage those branches of industry making products with a high labor content, even at the expense of our exporters. But this argument ignores almost every major contribution to the storehouse of economic wisdom made in the last 30 years. Our export industries relative to their size may not be large *direct* employers of labor, but the income generated by our big, efficient, highly productive export industries has a multiple effect as it flows through our economy, and *indirectly* is a major, if not the greatest single source of demand for labor in Canada.

We should do everything in our power to strengthen the competitive position of our domestic manufacturing industry, beset as it is with tough import competition aggravated at times by the high exchange value of our dollar; but if in the process we should harm our export industries, the multiplier effect of a decline of income generated in that sector will work in reverse and the adverse *indirect* effect on employment in Canada may more than offset any direct gain to employment in manufacturing. Eventually, we shall have to face up to what is perhaps the most vital of all requirements for our long-run economic survival: that our so-called "domestic manufacturers" and not merely our traditional exporters, get out and sell at world prices in the world market.

I agree with the general aim and direction of our exchange-rate policy and our monetary policy; and, in what I have said so far, I have stated what I believe to be their impressive claim to our confidence. I shall now proceed to what I consider to be legitimate points of criticism.

The Governor of the Bank of Canada, in the course of his duties, has on appropriate occasions taken a strong and courageous stand against mounting pressure, and I include here pressure from the private sector of the economy. The soundest ground for the critics of exchange-rate and monetary policy lies, not in second-guessing the monetary authorities in the performance of their often unpopular public duty, but in urging that, if their operations were smoother, and especially if the direction of policy were made clear to the banks, the money market, and the public, a number of intermittent crises, and a host of relatively minor upsets in the market, would disappear.

Under the present system, with a floating bank rate completely useless as a signal, the banks are in the position of having to forecast not only the course of the economy—that's our job—but also the course of monetary policy—and that, I maintain, is *not* our job. I realize that the same uncertainties regarding the course of economic events and changes in public policy have to be taken into account by the Governor of the Bank of Canada. For this reason, all that the banks can realistically hope for is that they may be told not what monetary policy will be in the future but what it actually is at the moment. They must be content with "spot" not "futures," so far as monetary policy is concerned. The trouble today is simply that they do not get even this.

What is needed is a clear and unmistakable sign of central-bank policy. This could take the form of a return to a "fixed" but periodically adjusted bank rate. Or, perhaps a return to a bank rate periodically adjusted by the Bank of Canada is not the best answer. There is no special reason for a rigid adherence to the British, or the American system. In fact there may be room here for a genuine innovation in monetary policy to suit Canadian conditions. But, whatever measure is adopted, the objective should be kept clearly in view: namely, to achieve, by innovation or otherwise, some clear and unmistakable sign of central-bank policy that can be easily interpreted, not only by the chartered banks but by the rest of the money market and, especially perhaps, by the general public.

IV

The Bogy of Foreign Investment

I have been trying so far to show that Canada has a much higher degree of independence in monetary policy than one would infer from public discussion to be the general view. Moreover, we can, by effecting certain improvements, some of which I have suggested here, achieve an even greater degree of independence and strength in our monetary system.

Nevertheless, there is a growing doubt in the minds of many, not only concerning our independence in monetary and fiscal policy, but concerning the future of our whole economy on some dread day of reckoning when, it is alleged, Canada will have to pay back an enormous debt largely contracted in the United States. This, of course, is an oversimplification of the issue and I know of no authority who has stated it in precisely this way; and yet this, I believe, is a fair statement of a widely held impression in the public mind. I should like now to attempt to define just what the problem is, and, more important still, what it is not.

It has been estimated that our "net international indebtedness," excluding offsetting investment by Canadians in foreign countries, was $17 billion by the end of 1960. But of this net figure at least two-thirds is not true debt but net "direct investment," largely in Canadian subsidiaries of U. S. corporations, which will never have to be "paid back." The remainder only, or probably less than one-third of the total, is net deadweight debt. This, of course, is a very much smaller burden of true debt than the statistics of our so-called "balance of international indebtedness" seem at first to indicate, and the imminence of the dread day of reckoning, the alleged inevitability of national bankruptcy, must be correspondingly discounted.

Nevertheless, five or six billions of dollars is still a lot of debt and, as a number of authorities have correctly pointed out, the sum is growing. There will come a time when Canada will rank as a "mature debtor," that is, she will find that in-payments, including long-term capital flows, will be exceeded by out-payments, including interest amortization and dividend payments. But the problem some observers see of "providing foreign exchange" to meet this contingency is a spurious one—provided always that we keep our free exchange rate. Except under conditions of uncontrolled inflation, such as that experienced by Germany after World War I, there can be no shortage of foreign exchange with a floating rate which automatically equates the demand for, and supply of, foreign exchange in the market.

When we become a "mature debtor" in the sense that I have defined the term, all we have to do is to let nature take its course. Our excess demand for U. S. dollars and other foreign currencies will result in an automatic fall in the Canadian dollar, a stimulation of exports and a discouragement of imports. In other words, when we *need* a surplus on merchandise and service account, because long-term capital inflow is exceeded by miscellaneous foreign payments, we shall undoubtedly get one! The lower exchange value on our dollar, through which this will be brought about, will undoubtedly please our exporters as well as domestic manufacturers subject to import competition. But there will also be sacrifices to be made. Debtors will find that the real burden of their interest and principal payments will rise if payable in foreign currency. But we must assume either that these debtors have accepted a long-term exchange risk with their eyes open—and deserve no sympathy, or have adequately reserved against the risk—and need none. Consumers, too, will be forced to pay higher prices for imports and other commodities, all of which means only that, as in any "mature debtor" economy, real resources have to be devoted to the servicing and repayment of debt. Nevertheless, in retrospect, I believe that we shall find these costs amply offset by the immense contribution of foreign capital over the years to Canada's economic growth.

It is in the light of these homely truths that I would like to comment on the recent wave of sentiment, amounting almost to hysteria, against the import of foreign capital. Tremendous pressure has been brought on the government to discourage a further inflow, and thus presumably to bring down our exchange rate, reduce foreign indebtedness, and in general to solve in one easy stroke of economic nationalism, all the problems of trade, employment and debt that currently beset us. Apparently the Government has resisted this pressure, as concessions made in the "baby budget" of last December were relatively mild.

What this pressure group advocates in effect is not to delay or avoid but actually to *hasten* the arrival of the Day of Judg-

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ment which they profess to fear. All the burdens of debt repayment, overestimated as they are, would be on us immediately and without the benefit we could have derived from a continuing flow of long-term foreign capital. Moreover, if the value of the Canadian dollar is reduced through scaring off foreign capital, the supply of lendable funds available to Canadians is also reduced, and demand for funds in the Canadian market, by those formerly financing abroad, is correspondingly increased. As a result the capital market will be tighter and interest rates higher than they would be without the restrictions on foreign capital inflow.

To the extent that the higher than normal interest rates attract hot money, or even some long-term capital, the price of the Canadian dollar in the exchange market will be restored and the hoped-for effect on employment nullified. To the extent that higher than normal interest rates fail to attract capital, the effect of the lower exchange rate will be offset by continued tightness in the capital market and continued high interest rates, and again the hoped-for effect on employment may be nullified. In either case, the falling off in the supply of productive long-term capital will ensure that the final result will almost certainly be an actual *rise* in the level of unemployment in Canada.

The easy way out of this dilemma, according to some, is simply to increase the money supply and reduce the embarrassing interest differential between Canada and the United States. In fact, the inflationary potential of the increase in the money supply required for even temporary success in such an endeavor would so upset the Canadian bond market that the supply of lendable funds based on savings would be drastically reduced and the appropriate rate of interest even higher than at the beginning of the experiment.

The differential in interest rates between Canada and the United States is of long standing and it is no accident. It results from a difference in institutional factors, in the broadest sense of that term, including the power and the will to save and invest and, interdependent with these, the demand for and supply of lendable funds in the two countries. The differential is moderated, but not erased, by capital inflow; it is bound to become wider to the extent that capital inflow is inhibited; and it certainly cannot, in the long run, be erased by monetary policy.

Moreover, if the vote of non-confidence in the Canadian dollar, attendant on crippling legislation against foreign capital, has sufficient impact on investors abroad who are now investing in Canada's future, our dollar may indeed fall — further and more disastrously than was ever intended. Under these conditions, no practical level of interest rates or profits in Canada will be sufficient to overcome the *risk barrier* thus erected against the foreign capital we so urgently need if we are to achieve hign employment and balanced economic growth without inflation.

There *is* a real problem associated with the large capital inflow of recent years, but it is not that of finding the means of repayment. The real problem is simply that Canadians are becoming increasingly concerned about the growing foreign control over their industry. This is basically a political problem; a problem of maintaining national sovereignty, of being master in our own house.

Because foreign capital is necessarily tied up, sometimes in a rather complicated way, with the trade balance and the exchange rate, capital inflow has become a victim of "built by association" and has had to bear the brunt of much obscure criticism, most of which completely misses the point.

Once we have cast out the fear of some imminent Day of Judgment when all our massive (and overstated) debt will become due and payable, the nature of the problem is not only changed but made vastly simpler. The solution is clearly not to "do something" about the trade balance or to frighten foreign capital away, or to hobble it in some manner. In part, of course, the solution is to encourage Canadian savings, and *especially* Canadian investment in the kind of risk enterprise that is so dependent on foreign capital.

But, at least as important, if we are concerned about the behavior of foreign-owned subsidiaries—now or in the future—let us secure, through moral suasion or appropriate legislation, the kind of behavior we want. The foreign parents as well as their Canadian children would probably welcome a clarification of their position and a removal of the uncertainty which now arises from much Canadian grumbling but no clear-cut definition of where they stand and where we stand.

V

Conclusion

The problem of reconciling Canadian independence with the economic advantages of foreign investment is, like that of independence and economic strength through monetary policy, basically one of opening lines of clear and unambiguous communication.

Foreign-owned subsidiaries are corporate Canadian citizens, subject to Canadian law. The government has the power to protect Canadian sovereignty by direct action. As in monetary policy, so in its policy towards international capital, the government, in ensuring a higher degree of Canadian economic independence, need not resort to any tinkering with exchange rates, trade balances or capital flows which, even if it achieved its immediate objective in the short run (an extremely doubtful possibility), would do so only at the risk of incidental disaster to Canada's long-run economic development.

Such a failure to maintain, through right policy, both high-level employment and balanced growth will mean the end of all our hopes that Canada might, in this century, achieve her rightful stature as a prosperous *and* independent member of the family of free nations throughout the world.

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*An address by Mr. McLaughlin at the annual meeting of the Bank's shareholders, Montreal, Canada,

New York Analysts to Discuss Insurance Stocks

The outlook for insurance stocks will be discussed before the New York Society of Security Analysts on Tuesday afternoon, March 7, at its quarters at 15 William Street by a panel of three speakers. They are Shelby Cullom Davis, head of the New York investment firm of that name; William Ridgway, Jr., President of Crum & Forster of New York, property insurance underwriting managers, and David G. Scott, first Vice-President and actuary of the Continental Assurance Company, Chicago.

STATE OF TRADE AND INDUSTRY

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truck tonnage were found at industrial centers.

Compared to the preceding week, 14 metropolitan areas registered tonnage gains while 20 registered tonnage decreases.

Business Failures Down Moderately for Week Ending Feb. 23

Commercial and industrial failures declined to 348 in the week ended Feb. 23 from 374 in the preceding week, reported Dun & Bradstreet, Inc. Although at the lowest level in five weeks, casualties continued to run sharply higher than a year ago when 277 occurred or in 1959 when there were 296. Some 30% more businesses failed than the 267 in the similar week of pre-war 1939.

Liabilities of $5,000 or more were involved in 300 of the week's casualties as against 329 in the previous week and 250 last year. Small failures, those with losses under $5,000, took a contrasting upturn to 48 from 45 a week earlier. Forty of the casualties had liabilities in excess of $100,000, dipping from 45 in the preceding week.

The toll among retailers dipped to 176 from 184, among wholesalers to 33 from 46, and among manufacturers to 50 from 66. On the other hand, construction mortality edged up to 63 from 60, and commercial service casualties climbed to 26 from 18. More failures occurred than last year in all lines except wholesaling, with the most noticeable increases from 1960 among retailers and contractors.

Six of the nine major geographic regions reported lower tolls during the week. While casualties in the East North Central States dipped to 63 from 65, those in the South Atlantic fell to 48 from 63 and those in the West South Central to 17 from 25. In contrast, failures in the Middle Atlantic turned up to 109 from 106, and stronger increases lifted the Pacific and Mountain totals to 68 and 14 respectively. All except three regions suffered heavier business casualties than a year ago.

Canadian failures climbed to 59 from 42 in the preceding week and 37 in the comparable week in 1960.

Wholesale Commodity Price Index Edges Up To Highest Level So Far This Year

The daily wholesale commodity price index, complied by Dun & Bradstreet, Inc., edged up on Feb. 24 to 269.76 (1930-32=100), the highest level so far this year. On Feb. 27 it slipped somewhat to 269.67, but it was up from the 269.28 of a week earlier. It compared with 272.24 on the corresponding date a year ago. The week-to-week advance primarily reflected higher prices on some grains, flour, lard, coffee, steers, cotton and rubber.

Although trading in corn showed little change from a week earlier, offerings were light and prices moved moderately higher. In contrast, oats price dipped on a decrease in transactions.

Domestic and export buying of wheat slackened this week and supplies were plentiful; this resulted in a slight dip in wheat prices. Rye prices rose appreciably, reflecting increased volume and light offerings. There was a marked rise in soybean prices during the week as purchases expanded noticeably and strength was reported in the soybean oil and meal markets.

Both domestic and export buying of flour lagged this week, but prices rose fractionally from a week earlier. Trading in sugar remained close to the prior week and prices were unchanged. Rice prices held steady as domestic and export buying expanded; numerous inquiries were received from the Middle East, Africa and Europe.

A slight increase occurred in coffee prices and trading matched that of a week earlier. There was a moderate decline in purchases of cocoa and prices showed a fractional dip.

Following a slight rise in trading and a dip in supplies, prices on steers rose slightly from a week earlier. Although volume rose appreciably, hog prices decreased somewhat on ample supplies. Prices on lambs showed a moderate drop, reflecting sluggish trading.

Prices on cotton futures on the New York Cotton Exchange rose last week following the announcement of a higher support price than was expected for the 1961 crop. Domestic mill consumption of cotton in January averaged 31,800 bales a day, compared with 29,000 in December, and 36,700 in January 1960, according to the United States Bureau of the Census.

Wholesale Food Price Index Dips To Lowest Level So Far This Year

The wholesale food price index, compiled by Dun & Bradstreet, Inc., declined this week to the lowest level so far this year. On Feb. 28 it stood at $6.09, for a decline of 0.5% from the prior week's $6.12, but it was up 4.8% from the $5.81 of the corresponding date a year ago. The current level was the lowest since the $6.07 of Nov. 8, 1960.

Higher in wholesale cost this week were flour, corn, rye, lard, cottonseed oil and cocoa. Commodities quoted lower in cost were barley, beef, bellies, milk, eggs, potatoes, steers, hogs and lambs.

The Dun & Bradstreet, Inc. wholesale food price index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Trade Climbs Moderately Over Year Ago

Better weather and good volume on Washington's Birthday in many cities boosted over-all retail trade in the week ended Feb. 22, 1961 appreciably over the prior week and moderately over a year ago. Year-to-year gains in sales of apparel, draperies, floor coverings and food products offset declines in new and used passenger cars, major appliances and linens. The buying of furniture remained close to the similar 1960 week.

The total dollar volume of retail trade in the week ended Feb. 22, was 3% to 7% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: Middle Atlantic +13 to +17; West North Central +3 to +7; South Atlantic +2 to +6; East North Central, East South Central and Mountain +1 to +5; New England 0 to +4; West South Central —2 to +2; Pacific Coast —3 to +1.

Nationwide Department Store Sales Up 7% From 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Feb. 18, 1961, showed an increase of 7% above the like period last year. For the week ended Feb. 11, a decrease of 3% was reported. For the four weeks ended Feb. 18, 1961 a 2% loss was reported.

According to the Federal Reserve System, department store sales in New York City for the week ended Feb. 18 showed a 24% increase over the same period last year. In the preceding week ended Feb. 11 sales showed a decrease of 11% from the same week in 1960. For the four weeks ended Feb. 18 a 4% decrease was reported below the 1960 period, while Jan. 1 to Feb. 18 a 5% decrease occurred.

Golden Crest Stock Offered

Golden Crest Records, Inc. is being offered by Dean Samitas & Co., Inc.; Nassau Securities Service, New York and Valley Forge Securities Co., Philadelphia.

The company, through its subsidiaries was one of the forerunners in the record pressing industry in the production of polystyrene phonograph records by injection molding. Sound studios and recording facilities are located at Huntington Station, L. I., New York.

With Reynolds & Co.

CHICAGO, Ill.—Reynolds & Co., 39 South La Salle Street, has announced that Joseph C. Mauer has joined the firm as registered representative.

Mr. Maurer has been a registered representative with Goodbody & Co. the past five and one-half years.

Form Eastern Associates

(Special to The Financial Chronicle)

PORTLAND, Maine—Eastern Associates, Inc. has been formed with offices at 192 Middle Street, to act as dealers in securities. Officers are Claude E. Hews, President; and Fred I. Merrill, Treasurer.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Accesso Corp.
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

Acme Missiles & Construction Corp. (3/15)
Jan. 6, 1961 filed 30,000 outstanding shares of class A common stock. **Price** — To be supplied by amendment. **Business**—The construction and installation of missile launching platforms. **Proceeds**—To selling stockholders. **Office** — 43 North Village Avenue, Rockville Centre, N. Y. **Underwriter**—None.

• ACR Electronics Corp. (4/10-14)
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriter**—Robert Edelstein Co., Inc., New York City.

• A-Drive Auto Leasing System Inc. (3/13-17)
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

• Adler Electronics, Inc.
Feb. 20, 1961 filed 160,000 shares of common stock, of which 110,000 shares will be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Rochelle, N. Y. **Underwriter** — Carl M. Loeb, Rhoades & Co., New York City (managing). **Offering**—Expected in late March to early April.

Advanced Investment Management Corp.
Jan. 13,1961 filed 500,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark.

• Air Metal Industries, Inc. (4/6)
Jan. 27, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents) of which 12,500 shares are to be offered by stockholders, 12,500 shares to the underwriters and the balance by the company. **Price**—$4 per share. **Business**—The firm makes and sells steel metal ducts utilized in heating systems. **Proceeds**—To increase inventory, for research and development and working capital. **Office** — Miami Beach Federal Bldg., Miami Beach, Fla. **Underwriter**—Vickers, Christy & Co., Inc., New York, N. Y., is no longer underwriting. New underwriter is Lloyd Securities, New York City.

Air-X Industries, Inc.
Jan. 31, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For purchase of machinery and equipment and for furniture and fixtures and leasehold improvements, including electrical plumbing and heating work. **Office**—1210 Randall Avenue, Bronx, N. Y. **Underwriter**—Lewis Wolf Associates, New York, N. Y.

Alabama Power Co. (3/23)
Feb. 13, 1961 this subsidiary of the Southern Co., filed $13,000,000 of first mortgage bonds due 1991 and 80,000 shares of cumulative preferred stock (par $100). **Proceeds**—For expansion. **Office**—600 North 18th St., Birmingham 2, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders on bonds included Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Bids**—To be received up to 11:00 a.m. for the preferred stock and up to 12 noon for the bonds on March 23 at Southern Services, Inc., Room 1600, 250 Park Ave., New York City. **Information Meeting**—Scheduled for March 20 at 2:30 p.m. at the Chemical Bank New York Trust Co., 10th floor.

Alaska Creamery Products, Inc.
Dec. 19, 1960 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2.25 per share. **Proceeds**—To purchase equipment, and other necessary materials for distribution of dairy products. **Address**—Anchorage, Alaska. **Underwriter**—Paul Nichols Co., Inc., Anchorage, Alaska.

• Albee Homes, Inc. (3/13-17)
Jan. 24, 1961 filed 172,500 shares of common stock. **Price**—To be supplied by amendment. **Business**—The sale of pre-cut packaged home building materials. **Proceeds**—To be used by the company's wholly-owned subsidiary to finance future credit sales. **Office**—931 Summit St., Niles O. **Underwriter**—G. H. Walker & Co., Inc., New York City (managing).

• Alberto-Culver Co.
Feb. 15, 1961 filed 155,000 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 130,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of cosmetic and toiletry preparations, particularly in the hair care field. **Proceeds**—For additional working capital. **Office**—2525 Armitage Ave., Melrose Park, Ill. **Underwriter**—Shields & Co., New York City (managing). **Offering**—Expected sometime in April.

★ All-State Credit Corp.
Feb. 21, 1961 filed 200,000 shares of class A stock. **Price**—$5 per share. **Business**—A sales finance company, specializing in the purchase of conditional sales contracts from furniture and appliance dealers throughout the New York City area. **Proceeds**—For the repayment of debt and for working capital. **Office**—71 West Merrick Blvd., Valley Stream, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc.

Allen & Steen Acceptance Co.
Jan. 17, 1961 (letter of notification) $200,000 of 6% sinking fund debentures, 1975 series to be offered in denominations of $1,000 and $500 each. **Price**—At face value. **Proceeds** — For working capital. **Office**—28 S. 8th St., Terre Haute, Ind. **Underwriter** — City Securities Corp., Indianapolis, Ind.

Allied Petro-Products, Inc.
Feb. 3, 1961 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For increasing inventory, development of new products and working capital. **Office** — 41 Edgewood Ave., Jacksonville, Fla. **Underwriter**—Darius Inc., New York, N. Y.

America-Israel Phosphate Co.
Dec. 23, 1960 filed 125,000 shares of common stock, each share of which carries two warrants to purchase two additional common shares in the next issue of shares, at a discount of 25% from the offering price. **Price**—$4 per share. **Business**—The prospecting and exploration for phosphate mineral resources in Israel. **Proceeds**—For general business purposes. **Office** — 82 Beaver Street, New York City. **Underwriter**—Casper Rogers Co., New York City (managing).

American Educational Life Insurance Co.
Dec. 5, 1960 filed 960,000 shares of class A common voting stock (par $1) and 240,000 shares of class B non-voting common stock to be sold in uints, each unit to consist of 4 shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Business**—The writing of life insurance and allied lines of insurance. **Proceeds**—For capital and surplus. **Office** — Third National Bank Bldg., Nashville, Tenn. **Underwriter**—Standard American Securities, Inc., Nashville, Tenn.

• American Machine & Foundry Co.
Jan. 17, 1961 filed $39,911,100 of 4¼% convertible subordinated debentures being offered to common stockholders on the basis of one $100 debenture for each 20 shares of common held of record Feb. 28. Rights expire March 16. **Price**—At par value. **Proceeds**—To reduce short-term loans and furnish additional working capital

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NEW ISSUE CALENDAR

March 3 (Friday)

Guild Musical Instrument Corp.______**Common**
(Michael G. Kletz & Co., Inc.) $330,000
Jouet, Inc. ______**Common**
(Edward H. Stern & Co.) $300,000

March 6 (Monday)

Amity Corp. ______**Common**
(Karen Securities Corp.) $226,217
Automation Laboratories, Inc.______**Common**
(Sandkuhl & Co.) $266,800
Boonton Electronics Corp.______**Units**
(Ross, Lyon & Co., Inc. and Globus, Inc.) $330,000
Bowling & Construction Corp.______**Common**
(Arnold Malkan & Co., Inc.) $600,000
Colber Corp. ______**Common**
(Richard Bruce & Co., Inc.) $300,000
Falls Plaza Limited Partnership______**Interests**
(Hodgdon & Co., Inc. and Investor Service Securities Inc.) $480,000
Gold Medal Packing Corp.______**Preferred**
(Capital Investment Co.) $400,000
Gulf Guaranty Land & Title Co.______**Units**
(Street & Co.) $1,500,000
Honey Dew Food Stores, Inc.______**Common**
(Capital Investment Co.) $290,000
Jonker Business Machines, Inc.______**Units**
(Hodgdon & Co., Inc.) 50,000 units
Klein (S.) Department Stores, Inc.______**Common**
(Emanuel, Deetjen & Co.) 72,000 shares
Mercury Electronics Corp.______**Common**
(S. Schramm & Co. Inc.) $300,000
Minitone Electronics, Inc.______**Common**
(No underwriting) $555,000
National Food Marketers, Inc.______**Common**
(Robert Edelstein Co., Inc.) $400,000
Rixon Electronics, Inc.______**Capital**
(Auchincloss, Parker & Redpath) 115,000 shares
Schluderberg-Kurdle Co., Inc.______**Common**
(Alex. Brown & Sons) 20,000 shares
Sealander, Inc. ______**Common**
(Robinette & Co., Inc.) $300,000
Shepherd Electronic Industries, Inc.______**Preferred**
(D. Klapper Associates, Inc.) $156,000
Shinn Industries Inc.______**Common**
(Myron A. Lomasney & Co.) $900,000
Space Research & Development Corp.______**Common**
(Joseph Nadler & Co., Inc.) $300,000
Tech-Ohm Electronics Corp.______**Common**
(Edward Lewis Co., Inc.) $299,499
Techmation Corp. ______**Common**
(First Philadelphia Corp.) $175,000
Tensor Electric Development Co., Inc.______**Common**
(Dresner Co., Michael & Co. and Satnick & Co., Inc.) $300,000
Whippany Paper Board Co., Inc.______**Common**
(Van Alstyne, Noel & Co.) 250,000 shares
Wilson (Lee) Engineering Co., Inc.______**Common**
(Prescott, Shepard & Co., Inc.) 67,500 shares

March 7 (Tuesday)

Colorite Plastics, Inc.______**Common**
(P. W. Brooks & Co., Inc.) 100,000 shares
Colorite Plastics, Inc.______**Bonds**
(P. W. Brooks & Co., Inc.) $900,000
Louisville & Nashville RR.______**Equip. Trust Ctfs.**
(Bids noon EST) $7,785,000
Telephone & Electronics Corp.______**Common**
(Equity Securities Co.) $264,900
Wyle Laboratories ______**Common**
(Kidder, Peabody & Co. and Mitchum, Jones & Templeton) 110,000 shares

March 8 (Wednesday)

Circle Controls Corp.______**Common**
(Rodetsky, Kleinzahler, Walker & Co.; L. C. Wegard & Co. and L. D. Sherman & Co.) $285,000
Marley Co. ______**Common**
(White, Weld & Co., Inc.) 100,996 shares
Mohawk Insurance Co.______**Common**
(R. F. Dowd & Co., Inc.) $900,000

March 13 (Monday)

A-Drive Auto Leasing System, Inc.______**Class A**
(Hill, Darlington & Grimm) $1,000,000
Albee Homes, Inc.______**Common**
(G. H. Walker & Co., Inc.) 172,500 shares
Atlantic Fund for Investment in U. S. Government Securities, Inc.______**Common**
(Capital Counsellors) $50,000,000
Benbow Astronautics, Inc.______**Class A**
(Edward Hindly & Co.; T. M. Kirsch & Co.; Cortlandt Investing Co. and H. B. Crandall & Co.) $300,000
Citizens & Southern Capital Corp.______**Common**
(The Johnson, Lane, Space Corp.; Courts & Co. and Robinson-Humphrey Co., Inc.) $1,650,000
Colonial Mortgage Service Co.______**Common**
(Drexel & Co. and Stroud & Co.) 100,000 shares
Eastern Can Co., Inc.______**Class A Stock**
(Milton D. Blauner & Co., Inc.) $1,400,000
Elion Instruments, Inc.______**Capital**
(Warner, Jennings, Mandel & Longstreth) 60,000 shares
Jefferson Lake Asbestos Corp.______**Units**
(A. G. Edwards & Sons) $3,500,000
Lafayette Radio Electronics Corp.______**Debentures**
(C. E. Unterberg, Towbin Co.) $2,500,000
Lafayette Radio Electronics Corp.______**Common**
(C. E. Unterberg, Towbin Co.) 100,000 shares
Random House, Inc.______**Common**
(Allen & Co.) 121,870 shares
Renwell Electronics Corp. of Delaware______**Common**
(William David & Motti, Inc.) $400,000
Roblin-Seaway Industries, Inc.______**Class A**
(Brand, Grumet & Seigel, Inc.) $480,000
Simplex Lock Corp.______**Common**
(Charles Plohn & Co. and B. W. Pizzini & Co.) $300,000
Stelma, Inc. ______**Common**
(Amos Treat & Co., Inc.) 200,000 shares
Tassette, Inc. ______**Class A**
(Amos Treat & Co., Inc.) 200,000 shares

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March 14 (Tuesday)

General Telephone Co. of Florida______Preferred
(Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp. and Mitchum, Jones & Templeton) 400,000 shares

Storer Broadcasting Co.______Common
(Reynolds & Co., Inc.) 263,000 shares

March 15 (Wednesday)

Acme Missiles & Construction Corp.______Common
(No underwriting) 30,000 shares

American Molded Fiberglass Co.______Common
(Vestal Securities Corp.) $148,172

Eastern Camera Exchange, Inc.______Common
(Casper Rogers & Co., Inc.) $300,000

Fund of America, Inc.______Common
(Ladenburg, Thalmann & Co. and Minis & Co., Inc.) $5,000,000

Greenfield Real Estate Investment Trust__Ben. Int.
(Drexel & Co.) 500,000 shares

Jensen Industries ______Common
(Maltz, Greenwald & Co. and Thomas, Jay Winston & Co.) 75,000 shares

Sunset Color Laboratories, Inc.______Common
(Jacey Securities Co.) $180,000

Thermo Dynamics, Inc.______Common
(Lowell, Murphy & Co., Inc.) $1,101,811.50

March 17 (Friday)

Inter-Mountain Telephone Co.______Common
(Offering to stockholders—underwritten by Courts & Co.) 465,000 shares

March 20 (Monday)

Automation Development, Inc.______Common
(First Philadelphia Corp.) $150,000

Bristol Dynamics, Inc.______Common
(William, David & Motti, Inc.) $700,000

Copter Skyways, Inc.______Common
(C. A. Benson & Co., Inc.) $450,000

Municipal Investment Trust Fund, Series A__Units
(Ira Haupt & Co.) $20,000,000

Nytronics, Inc. ______Capital
(Norton, Fox & Co., Inc.) 100,000 shares

Personal Property Leasing Co.______Capital
(Dempsey-Tegeler & Co.) $975,000

Publishers Co., Inc.______Common
(Amos Treat & Co., Inc. and Roth & Co., Inc.) $2,200,000

Rego Insulated Wire Corp.______Common
(Russell & Saxe, Inc.) $900,000

Shoup Voting Machine Corp.______Common
(Burnham & Co.) 110,000 shares

Thermogas Co. ______Common
(A. C. Allyn & Co.) 100,000 shares

March 21 (Tuesday)

Southern Bell Telephone & Telegraph Co.__Debens.
(Bids 11 a.m. EST) $70,000,000

March 22 (Wednesday)

Atlantic City Electric Co.______Bonds
(Bids 11 a.m. EST) $10,000,000

Southwestern Public Service Co.______Bonds
(Dillon, Read & Co.) $15,000,000

Southwestern Public Service Co.______Preferred
(Dillon, Read & Co.) 120,000 shares

March 23 (Thursday)

Alabama Power Co.______Preferred
(Bids 11 a.m. EST) 800,000 shares

Alabama Power Co.______Bonds
(Bids 12 noon EST) $13,000,000

Radar Measurements Corp.______Common
(Blair & Co., Inc.) $299,950

March 24 (Friday)

Rochester Telephone Corp.______Common
(The First Boston Corp.) 273,437 shares

March 27 (Monday)

Clifton Precision Products Co., Inc.______Common
(W. C. Langley & Co.) 60,000 shares

Electro Consolidated Corp.______Common
(Brand, Grumet & Seigel, Inc. and Kesselman & Co., Inc.) $600,000

Lake Arrowhead Development Co.______Common
(Van Alstyne, Noel & Co. and Sutro & Co.) $3,000,000

Mansfield Industries, Inc.______Common
(McDonnell & Co., Inc.) 150,000 shares

March 28 (Tuesday)

Beckman Instruments, Inc.______Common
(Offerings to stockholders—underwritten by Lehman Brothers) 70,000 shares

March 29 (Wednesday)

Palm Developers Limited______Common
(David Barnes & Co., Inc.) $300,000

April 3 (Monday)

Dixie Natural Gas Corp.______Common
(Vestal Securities Corp.) $300,000

Home Lab Supply, Inc.______Common
(Pontiac Securities, Inc.) $300,000

Invesco Collateral Corp.______Units
(No underwriting) $777,300

Marine Capital Corp.______Common
(Paine, Webber, Jackson & Curtis) $9,995,000

Packard Instrument Co., Inc.______Common
(A. G. Becker & Co., Inc.) 100,000 shares

Progress Webster Electronics Corp.______Common
(Marron, Sloss & Co., Inc.) $675,000

April 4 (Tuesday)

Southern California Edison Co.______Bonds
(Bids 8:30 a.m. PST) $30,000,000

April 6 (Thursday)

Air Metal Industries, Inc.______Common
(Lloyd Securities) $300,000

Dodge Wire Corp.______Common
(Plymouth Securities Corp.) $600,000

April 10 (Monday)

ACR Electronics Corp.______Units
(Robert Edelstein Co., Inc.) 75,000 units

April 11 (Tuesday)

New England Telephone & Telegraph Co.__Debs.
(Bids to be received) $45,000,000

April 17 (Monday)

Chalco Engineering Corp.______Common
(First Broad Street Corp.) $600,000

Ohio-Franklin Fund, Inc.______Common
(Distributor—The Ohio Co.) 2,000,000 shares

April 20 (Thursday)

Orange & Rockland Utilities, Inc.______Bonds
(Bids to be received) $12,000,000

April 25 (Tuesday)

New England Telephone & Telegraph Co.____Com.
(Offering to stockholders—no underwriting) approx. 3,150,000

May 1 (Monday)

Sigma Instruments, Inc.______Common
(W. C. Langley & Co.) 200,000 shares

May 2 (Tuesday)

Bell Telephone Co. of Pennsylvania___Debentures
(Bids to be received) $50,000,000

May 3 (Wednesday)

Washington Gas Light Co.______Bonds
(Bids 11 a.m. EST) $12,000,000

May 4 (Thursday)

Sierra Pacific Power Co.______Common
(Offering to stockholders—no underwriting) Approximately 132,570 shares

May 11 (Thursday)

Sierra Pacific Power Co.______Bonds
(Bids to be received) $6,500,000

May 25 (Thursday)

New Orleans Public Service, Inc.______Bonds
(Bids to be received) $15,000,000

June 13 (Tuesday)

Virginia Electric & Power Co.______Bonds
(Bids 11 a.m. EST) $30,000,000 to $35,000,000

June 15 (Thursday)

Photronics Corp. ______Common
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares

Southern Electric Generating Co.______Bonds
(Bids 11 a.m. EST) $27,000,000

September 28 (Thursday)

Mississippi Power Co. ______Bonds
(Bids to be received) $5,000,000

Mississippi Power Co.______Preferred
(Bids to be received) $5,000,000

October 18 (Wednesday)

Georgia Power Co.______Bonds
(Bids to be received) $15,500,000

Georgia Power Co.______Preferred
(Bids to be received) $8,000,000

December 7 (Thursday)

Gulf Power Co.______Bonds
(Bids to be received) $5,000,000

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for domestic and foreign expansion. **Office**—261 Madison Avenue, New York 16, N. Y. **Underwriter** — Eastman Dillon, Union Securities & Co., New York City (managing).

● American Molded Fiberglass Co. (3/15)
Dec. 27, 1960 (letter of notification) 37,043 shares of common stock (par 40 cents). **Price—$4 per share. Business** — Manufacturers of fiberglass swimming pools, canoes and small trailer bodies and other custom molded fiberglass products. **Proceeds** — For general corporate purposes. **Office** — 40 Lane St., Paterson, N. J. **Underwriter**—Vestal Securities Corp., New York, N. Y.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price—$1,800 per unit. Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Telephone & Telegraph Co.
Jan. 27, 1961 filed 11,225,000 shares of capital stock being offered for subscription by stockholders on the basis of one new share for each 20 shares held of record Feb. 23, with rights to expire April 14. **Price—$86 per share. Proceeds**—For advances to subsidiaries, for the purchase of stock offered for subscription by such companies, for expansion of its own facilities and for general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—None.

● Amity Corp. (3/6)
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City.

★ Ampoules Inc.
Feb. 28, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Proceeds** — For general corporate purposes including laboratory equipment, salaries for engineers, moulds and dies, and working capital. **Office**—Hudson, Ohio. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

★ Angeles Crest Development Co., Inc.
Feb. 27, 1961 filed $1,500,000 of 7% subordinated debentures due April 1, 1971 and 75,000 shares of common stock to be offered for public sale in units consisting of $500 of debentures and 25 common shares. **Price**—$632.50 per unit. **Business**—The company was organized under California law in April, 1960, to acquire land for the development of residential lots, a golf course and related facilities. **Proceeds** — For the payment of a mortgage note, for development expenses and for working capital. **Office**—3436 North Verdugo Road, Glendale, Calif. **Underwriters**—Demsey-Tegeler & Co., St. Louis, Mo., and Lester, Ryons & Co., Los Angeles, Calif.

● Apco Oil Corp.
Jan. 13, 1961 filed $10,102,100 of subordinated debentures, due April 1, 1981 and 505,105 shares of common stock to be offered for subscription by holders of class A and class B stock of Union Texas Natural Gas Corp., in units consisting of one $100 debenture and five common shares on the basis of one unit for each 70 shares of class A and/or class B stock of Union Texas. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law on Aug. 15, 1960 and later entered into an agreement with Union Texas and others to purchase the properties of Anderson-Prichard Oil Corp., for a total of $25,200,000 plus its share of Anderson-Prichard liabilities. **Proceeds**—The company will use the proceeds, together with $12,000,000 to be borrowed from banks, to purchase the business and properties of Anderson-Prichard. **Office**—811 Rusk Avenue, Houston, Texas. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Smith, Barney & Co., both of New York City. **Offering**—Expected in mid-March.

Associated Traffic Clubs Insurance Corp.
Dec. 5, 1960, filed 250,000 shares of common stock (par 80c), to be sold to the Associated Traffic Clubs of America and their members. **Price**—$2 per share. **Business**—Provides insurance coverage to the members of the above club. **Proceeds**—To be added to surplus to maintain it at the amount required by law and to carry on and further develop the business of the company. **Office**—900 Market St., Wilmington, Del. **Underwriter**—A. T. Brod & Co., New York, N. Y.

● Atlantic City Electric Co. (3/22)
Feb. 10, 1961 filed $10,000,000 of first mortgage bonds due 1991. **Proceeds**—For the repayment of notes and for construction. **Office**—1600 Pacific Ave., Atlantic City, N. J. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., American Securities Corp., and Wood, Struthers & Co. (jointly); White, Weld & Co. and Shields & Co. (jointly); First Boston Corp. and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lee Higginson Corp.; Blyth & Co., Inc. **Bids** — Expected to be received on March 22 up to 11:00 a.m. (EST) at the office of Irving Trust Co., 47th floor, One Wall St., New York City.

● Atlantic Fund for Investment in U. S. Government Securities, Inc. (3/13-17)
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

★ Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office** — Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

Automatic Canteen Co. of America
Feb. 7, 1961 filed 127,725 outstanding common shares. **Price** — To be supplied by amendment. **Business**—The development, manufacture, sale, lease and servicing of vending machines. **Proceeds**—To the selling stockholders. **Office**—Merchandise Mart Plaza, Chicago, Ill. **Underwriter**—None.

● Automation Development, Inc. (3/20-24)
Jan. 27, 1961 (letter of notification) 40,000 shares of common stock (par 5 cents). **Price**—$3.75 per share. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—First Philadelphia Corp., New York, N. Y.

● Automation Laboratories, Inc. (3/6-10)
Jan. 26, 1961 (letter of notification) 66,700 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company is engaged in the research and development of infra-red devices used for the alignment of ballistic missiles and space vehicles, for automatic positioning of machinery operations and for geodetic surveys. **Offices** — 80 Urban Ave., Westbury, and 179 Liberty Ave., Mineola, N. Y. **Underwriter**—Sandkuhl and Co., Newark, N. J., and New York City.

● Baldwin Enclosures, Inc.
Dec. 27, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**-

ness — Manufacturers of elevator cabs for apartment houses and office buildings. **Proceeds**—For general corporate purposes. **Office**—59-33 55th St., Maspeth, N. Y. **Underwriter**—Acme Securities Corp., New York, N. Y. **Offering**—Expected in late March.

Bal-Tex Oil Co.
Dec. 22, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil and gas properties. **Office** — First National Bank Building, Denver, Colo. **Underwriter**—Equity General Investment Corp., First National Bank Building, Denver, Colo.

Baruch (R.) & Co.
Sept. 20, 1960 (letter of notification) 15,000 shares of class A common stock (par $3.75). **Price**—$10 per share. **Business**—The issuer is a broker-dealer with the SEC, and a member of the NASD. **Proceeds**—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—Same.

• Beckman Instruments, Inc. (3/28)
Feb. 21, 1961 filed 70,000 shares of common stock (par $1) to be offered for subscription by common stockholders of record March 28, on the basis of one share for each 20 shares held. **Price**—To be filed by amendment. **Business**—Manufactures electronic instruments, components and systems, including precision analytical instruments, computers, precision potentiometers, radiation and medical instruments. **Office** — 2500 Fullerton Road, Fullerton, Calif. **Underwriter**—Lehman Brothers, New York City (managing).

• Benbow Astronautics, Inc. (3/13-17)
Jan. 18, 1961 (letter of notification) 100,000 shares of class A stock (par 5 cents). **Price**—$3 per share. **Business** — The company supplies the missile and aircraft industries with hydraulic valves and regulators and related mechanical components. **Proceeds**—For additional working capital and for research and development in the fields of cryogenics and high temperature pneumatic systems. **Office**—Culver City, Calif. **Underwriters**—Edward Hindley & Co. (managing); T. M. Kirsch & Co.; Cortlandt Investing Co., and H. B. Crandall & Co.

★ Beryllium Manufacturing Corp.
Feb. 27, 1961 filed 105,000 shares of common stock. **Price**—$4.50 per share. **Proceeds**—For expansion and inventory, with the balance for working capital. **Office**—Valley Stream, L. I., N. Y. **Underwriter** — Eldes Security Corp., New York City.

• Bicor Automation Industries, Inc.
Jan. 23, 1961 filed 110,000 shares of class A common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all the capital stock of four corporations in Fairview, N. J., whose principal business is the importation and sale of embroidery manufacturing machinery. **Proceeds**—For new equipment and working capital. **Office** — 333 Bergen Boulevard, Fairview, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York City. **Offering** — Expected in March.

★ Blatt (M.) Co.
Feb. 28, 1961 filed 10,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The issuer manufactures and installs bowling lanes and related equipment. **Office**—Trenton, N. J. **Underwriter**—Maltz-Greenwald & Co., New York City (managing).

Boonton Electronics Corp. (3/6-10)
Dec. 23, 1960 filed 60,000 shares of common stock plus attached warrants, to be offered for public sale in units consisting of one common share and one-half of a two-year warrant. One full warrant will be required to purchase one share at $5.50 per share during the first year and $6.50 per share the second year. **Price**—$5.50 per unit. **Business**—The design and manufacture of precision electronic measuring equipment. **Proceeds**—For expansion, advertising and sales promotion and for research and development. **Office**—738 Speedwell Avenue, Morris Plains, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

Borman Food Stores, Inc.
Feb. 14, 1961 filed 52,000 outstanding shares of common stock. **Price**—To be related to the current market price on the New York Stock Exchange at the time of the offering. **Business** — Operates a chain of "Food Fair" supermarkets in the Detroit area. **Proceeds** — For the selling stockholders. **Office** — 12300 Mark Twain Ave., Detroit, Mich. **Underwriter** — Shields & Co., New York City.

• Bowling & Construction Corp. (3/6-10)
Nov. 28, 1960 filed 120,000 shares of class A common stock. **Price**—$5 per share. **Business**—The building, leasing and operation of bowling centers. **Proceeds** — For working capital. **Office**—26 Broadway, New York, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., New York City (managing).

Bristol Dynamics Inc. (3/20-24)
Feb. 7, 1961 filed 100,000 shares of common stock, of which 70,000 shares will be offered for public sale by the company and 30,000 by a selling stockholder. **Price**—$7 per share. **Business**—The designing engineering, producing and selling of electrical and mechanical assemblies, electronic and missile components and special tools. **Proceeds** — The company will use its portion of the proceeds to pay bank loans, expand inventory and purchase raw material, acquire new and larger facilities for business and for research and development and for working capital. **Office** — 219 Alabama Ave., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York City.

• Brooks Instrument Co., Inc.
Feb. 16, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Formerly known as Brooks Rotameter Co., the firm manufactures variable area flow meters, generally called "rotometers." **Proceeds**—For European expansion, research and development, and working capital. **Office**—407 West Vine St., Hatfield, Pa. **Underwriter**—Andresen & Co., New York City. **Offering**—Expected in early March.

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

★ California Financial Corp.
Feb. 23, 1961 filed 88,977 shares of capital stock, of which 35,000 are to be offered for public sale by the company and 53,977 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company, through a subsidiary is engaged in the savings and loan business in the San Francisco area. It also conducts an insurance agency business, renders management services to its subsidiaries and participates in the financing of real estate development projects. **Proceeds**—For the repayment of loans and for expansion. **Office** — 11 Tillman Place, San Francisco, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and J. Barth & Co., San Francisco.

• Canadian Superior Oil of California, Ltd.
Jan 5, 1961 filed 1,200,000 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each 3.75 shares held. **Price**—$9 (U. S.) and $8.75 (Can.) per share. **Proceeds**—To repay debts. **Office** — 703 Sixth Avenue, South West, Calgary, Alberta. **Underwriter**—None. **Note**—This statement was effective Feb. 24.

Canterbury Fund, Inc.
Dec. 29, 1960 filed 150,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The fund has been organized to serve principally investment clients of Fiduciary Counsel, Inc., and its subsidiary, The Estate Planning Corp. **Proceeds**—For investment. **Office**—55 Green Village Rd., Madison, N. J. **Underwriter**—Estate Planning Corp.

Caribbean & Southeastern Development Corp.
Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

★ Cathedral Caverns, Inc.
Feb. 16, 1961 (letter of notification) 25,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For advertising; a new building; expansion and working capital. **Address**—Grant, Ala. **Underwriter**—None.

Central Hadley Corp.
Jan. 27, 1961 filed 41,829 outstanding shares of 5% cumulative convertible preferred stock (par $10), and 481,450 outstanding common shares. **Business**—A holding company with three wholly owned subsidiaries; B. H. Hadley, Inc., which designs, develops, tests and manufactures precision components for fluid control and regulation systems for the missile industry; Stellardyne Laboratories, Inc., which sells testing and cleaning services to the missile industry; and Central Explorers Co., which owns oil leases and develops the leases. **Proceeds**—To the selling stockholders. **Office**—596 North Park Avenue, Pomona, Calif. **Underwriter**—None.

★ Cerel-Perini Associates, Inc.
Feb. 27, 1961 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the business of acquiring and developing land for use as industrial parks. **Proceeds**—For acquisitions, preparation of land and the construction of buildings for lease. **Office**—17 Strathmore Road, Natick, Mass. **Underwriter**—Bear, Stearns & Co., New York City (managing).

• Chalco Engineering Corp. (4/17)
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

• Chemsol, Inc.
Jan. 16, 1961 filed 200,000 shares of common stock. **Price**—$3 per share. **Business**—The company and its wholly-owned subsidiary, Chemline Corp., buy, sell and refine by-products of the chemical and petrochemical industries, manufacture and sell lime, and reprocess used thermoplastic resins. **Proceeds** — For construction, new equipment and general corporate purposes. **Office**—74 Dod Street, Elizabeth, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., New York City (managing). **Offering**—Expected in late March.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

• Circle Controls Corp. (3/8)
Oct. 28, 1960 (letter of notification) 95,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business** — Manufacture and rebuilding of electronic, electro-mechanical and mechanical controls. **Proceeds**—For general corporate purposes and working capital. **Office**—204 S. W. Boulevard, Vineland, N. J. **Underwriters**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.; L. C. Wegard & Co., Trenton, N. J. and L. D. Sherman & Co., New York, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Citizens Acceptance Corp.
Dec. 29, 1960 filed $500,000 principal amount of series G 6% five year subordinated debentures. **Price** — At 100% of principal or in exchange for outstanding debentures. **Business**—General finance company. **Proceeds**—To increase working capital and to retire outstanding debentures as they mature. **Office**—Georgetown, Del. **Underwriter**—None.

• Citizens & Southern Capital Corp. (3/13-17)
Dec. 21, 1960, filed 300,000 shares of common stock. **Price**—$5.50 per share. **Business**—A small business investment company and a subsidiary of Citizens & Southern National Bank of Atlanta. **Proceeds**—For investment. **Office**—Marietta and Broad Streets, Atlanta, Ga. **Underwriters** — The Johnson, Lane, Space Corp., Savannah; Courts & Co. and Robinson-Humphrey Co. Inc., Atlanta (managing).

★ City Products Corp.
Feb. 27, 1961 filed 35,000 shares of common stock to be offered for subscription by certain store owners who are franchised to use the name "Ben Franklin." **Price**—To be supplied by amendment. **Business**—The company has seven major divisions which serve Ben Franklin variety stores; operate coal yards and fuel oil facilities; distribute dairy products; operate two breweries and several cold storage warehouses, ice manufacturing plants, and facilities for icing refrigerator cars. **Proceeds** — For working capital. **Office**—33 South Clark Street, Chicago, Ill. **Underwriter**—None.

• Clifton Precision Products Co., Inc. (3/27-31)
Feb. 16, 1961 filed 60,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, development, produtcion and sale of synchros, instrument servo-motors and certain servo-mechanisms for use primarily in aircraft and missiles. **Proceeds**—For the selling stockholder. **Office** — Marple Ave., at Broadway, Clifton Heights, Pa. **Underwriter**—W. C. Langley & Co., New York City.

Coastal Dynamics Corp.
Jan. 30, 1961 filed 125,000 shares of class A stock. **Price** — $3 per share. **Business** — The company (formerly Coastal Manufacturing Corp.) merged with Wesco Plastic Products, Inc., and is principally engaged in the development, manufacture and sale of edge-lighted instrument and control panels for use in the aircraft, missile and electronic industries. **Proceeds** — For new equipment; payment of debts; to increase inventory of electronic component parts; and for working capital. **Office**—219 Rose Avenue, Venice, Calif. **Underwriter** — V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing). **Offering**—Expected sometime in April.

Colber Corp. (3/6-10)
Jan. 26, 1961 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of resistors. **Proceeds**—For purchase of machinery and equipment, leasehold improvements and for working capital. **Office**—26 Buffington St., Irvington, N. J. **Underwriter**—Richard Bruce & Co., Inc., 80 Pine Street, New York 5, N. Y.

★ Coleman Engineering Co., Inc.
Feb. 28, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — To retire bank borrowings, with the balance for working capital and general corporate purposes. **Office** — Los Angeles, Calif. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. (managing).

★ College Bowl, Inc.
Feb. 16, 1961 (letter of notification) 20,000 shares of common stock (par $5). **Price**—$5.50 per share. **Proceeds**—For the purchase of land; a down payment on a building and equipment, and operating capital. **Address**—Richmond County, Ga. **Underwriter**—None.

Colonial Mortgage Service Co. (3/13-17)
Jan. 31, 1961 filed 100,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business**—Originating and servicing mortgage loans for institutional investors. **Office** — 141 Garrett Road, Upper Darby, Pa. **Underwriters**—Drexel & Co., and Stroud & Co., both of Philadelphia, Pa. (jointly).

• Colorite Plastics, Inc. (3/7-9)
Dec. 22, 1960 filed $900,000 principal amount of first mortgage bonds, 6½% series, due 1976 (with detachable common stock purchase warrants) and 100,000 shares of common stock. **Price**—For the bonds: 100% of face amount plus accrued interest. For the stock: To be supplied by amendment. **Business**—The manufacture of plastic garden hose, tubes, rods, strips, gaskets, and related items. **Proceeds**—To purchase land, buildings and equipment and for working capital. **Office**—50 California Ave., Paterson, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Commerce Oil Refining Corp.
Dec. 16, 1958 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock.

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Price — To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commonwealth International & General Fund, Inc.
Dec. 19, 1960, filed 400,000 shares of common capital stock. **Price**—$12.50 per share. **Business**—A diversified, open-end, managed investment company. **Proceeds**—For investment. **Office**—615 Russ Bldg., San Francisco, Calif. **Underwriter**—North American Securities Co., San Francisco (dealer-manager).

★ **Community Research & Development, Inc.**
Feb. 27, 1961 filed 620,445 shares of common stock to be offered for subscription by holders of its common stock and 6% convertible debentures due Jan. 1, 1972 on the basis of one new share for each two common shares held, and 105 shares for each $1,000 of debentures held. **Price** —To be supplied by amendment. **Business**—The development, ownership and management of income producing real estate projects. **Proceeds** — For construction. **Office**—14 West Saratoga Street, Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

★ **Consolidated Activities, Inc.**
Feb. 28, 1961 filed $1,000,000 of 6½% convertible subordinated debentures, due April 30, 1976, and 50,000 shares of common stock (par 50¢). **Price**—To be supplied by amendment. **Business**—The issuer is principally engaged in the construction and operation of bowling alleys. **Proceeds**—To retire a mortgage and outstanding debentures, for construction of a new bowling alley, and for general corporate purposes. **Office**—26 West Northfield Road, Livingston, N. J. **Underwriter**—G. F. Nichols & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price—$1 per share. Proceeds—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

● **Copter Skyways, Inc. (3/20)**
Jan. 16, 1961 filed 15,000,000 shares of no par common stock. **Price**—3 cents per share. **Proceeds**—To acquire the equipment, real estate and other materials necessary to commence business. **Office**—Penn-Sheraton Hotel, Pittsburgh, Pa. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock. **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

● **Cumberland Shoe Corp.**
Jan. 3, 1961 (letter of notification) 37,115 shares of common stock (par 50 cents) being offered for subscription by stockholders of the company of record Jan. 1 with the right to purchase one share for each five shares held. Rights expire on March 22 at 4:30 p.m. (CST). **Price**—$3.75 per share. **Office** — North Margin Street, Franklin, Tenn. **Underwriter**—Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

Custom Components, Inc.
Jan. 24, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company designs, develops and produces high quality components for microwave and electronic systems. **Proceeds** — For expansion, acquisitions and working capital. **Office**—Passaic Ave., Caldwell, N. J. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York, N. Y.

★ **Customline Control Panels, Inc.**
Feb. 21, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Business**—Manufacturers of control panels for centralized control of chemical and industrial processes. **Proceeds**—For a training program for additional engineering personnel; additional capital equipment; payment of a bank loan; opening of a Los Angeles sales and engineering office; research and development and working capital. **Office**—1379 E. Linden Avenue, Linden, N. J. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

★ **D'Amico's Discount House, Inc.**
Feb. 23, 1961 (letter of notification) 15,000 shares of common stock (par $1). **Price**—$7.50 per share. **Business**—Discount sales of appliances and home furnishings to the public in the Buffalo area. **Proceeds**—For general corporate purposes. **Office**—774 Seneca Street. Buffalo, N. Y. **Underwriter**—None.

Dalto Corp.
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City. **Offering**—Indefinitely postponed.

● **Dekcraft Corp.**
Feb. 15, 1961 filed 92,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The company, formerly Supreme Ribbon Corp., manufactures, converts and packages gift wrappings. **Proceeds**—For the repayment of bank loans and for woking capital. **Office**—15 Burke Lane, Syosset, New York. **Underwriter**—Carter, Berlind, Potoma & Weill, New York City. **Offering**—Expected in early April.

● **Delanco Electric Machine Co., Inc.**
Jan. 17, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company operates three retail stores selling sewing machines and electrical appliances. **Proceeds**—For expansion and general corporate purposes. **Office** —111 Delancey Street, New York, N. Y. **Underwriter**—Michael Pariser Corp., New York, N. Y.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price** —$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Detroit Tractor, Ltd.
May 26, 1960 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

★ **Dial Finance Co.**
Feb. 24, 1961 filed $2,750,000 of capital debentures, 1981 series. **Price**—To be supplied by amendment. **Business**—The company and its 147 active subsidiaries are primarily engaged in the consumer finance business. **Proceeds**—For the reduction of short-term debt. **Office**—207 Ninth St., Des Moines, Iowa. **Underwriter**—White, Weld & Co., New York City. **Note**—This will be a limited offering to people interested in the company.

· **Diversified Finance Corp.**
Feb. 9, 1961 the company reported that it had filed with the Florida Securities Commission its first public offering of 300,000 shares of common stock. Each share carries a warrant expiring in December, 1963, entitling the holder thereof to purchase one additional share at $1.25 per share. **Price**—$1.25 per share. **Business**—The company and its subsidiaries are engaged in the small loan, consumer discount and retail instalment sales financing business in southeast Florida. **Proceeds**—For expansion. **Office**—615 W. Broward Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

● **Dixie Natural Gas Corp. (4/3)**
Dec. 5, 1960 (letter of notification) 75,000 shares of common stock (par 2 cents). **Price**—$4 per share. **Business**—Develops oil and gas leases in West Virginia. **Proceeds** — For general business purposes. **Office** — 115 Broadway, New York 6, N. Y. **Underwriter**—Vestal Securities Corp., New York City.

● **Dodge Wire Corp. (4/6)**
Dec. 7, 1960, filed 100,000 shares of common stock. **Price** —$6 per share. **Business**—The manufacture of woven aluminum screen cloth. **Proceeds**—The repayment of indebtedness and general corporate purposes. **Office**—Industrial Blvd., Covington, Ga. **Underwriter**—Plymouth Securities Corp., New York City.

Dolomite Glass Fibres, Inc.
Dec. 27, 1960 filed 200,000 shares of 7% preferred stock (cumulative - convertible); 200,000 class A common shares (voting) and 1,000,000 common shares (non-voting). **Price**—$10 per share for the preferred and $1 per share for the class A and common shares. **Business**—The manufacture and sale of glass fibre for insulation and glass fibre threads, mats and rovings for use in the production of reinforced plastics. **Proceeds**—For working capital and the purchase of additional equipment. **Office** —1037 Jay St., Rochester, N. Y. **Underwriter**—None.

● **Dynamic Instrument Corp.**
Jan. 27, 1961 filed 150,000 shares of common stock (full registration). **Price**—$2 per share. **Business**—The company is engaged in the design, manufacture and sale of electro-magnetic clutches and brakes and in the machinery of precision instrument components on a sub-contract basis. **Proceeds**—To repay loans, complete and develop new products and for working capital. **Office**—59 New York Ave., Westbury, L. I., N. Y. **Underwriters** —T. W. Lewis & Co., Inc., and Amos Treat & Co., Inc., both of New York City and Bruno-Lenchner, Inc., Pittsburgh. **Offering**—Expected in late March.

Dynatronics, Inc.
Feb. 3, 1961 filed 120,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company is engaged in the design, manufacture and sale of electronic equipment and systems, including antenna, digital and timing systems. **Proceeds**—For repayment of bank loans, new equipment and working capital. **Address**—P. O. Box 2566, Orlando, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

● **Eastern Camera Exchange, Inc. (3/15)**
Dec. 29, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Operating a chain of retail stores and concessions selling cameras, film and photographic supplies and equipment; also processes and prints black and white photographic film. **Proceeds**—To reduce indebtedness incurred by acquisitions, to pay notes due, and for general corporate purposes. **Office**—68 W. Columbia Street, Hempstead, N. Y. **Underwriter**—Casper Rogers & Co., Inc., New York, N. Y.

● **Eastern Can Co., Inc. (3/13)**
Jan. 23, 1961 filed 200,000 shares of class A stock. **Price** —$7 per share. **Business**—The company is engaged in the business of manufacturing tin plate cans for the packaging and marketing of different types of food, petrochemicals and other products. **Proceeds**—For new equipment; completion of a new manufacturing plant at Passaic, N. J.; the moving of metal container manufacturing equipment from Brooklyn to Passaic, and for working capital. **Office** — 649 Kent Avenue, Brooklyn, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York City.

● **Economics Laboratory, Inc.**
Feb. 10, 1961 filed $4,000,000 of convertible debentures due April 1, 1976. **Price**—To be supplied by amendment. **Business**—The manufacturing and selling of detergents and cleaning agents for commercial dishwashing and household use. **Proceeds** — For the repayment of notes, for new facilities and for working capital. **Office**—914 Guardian Bldg., St. Paul, Minn. **Underwriters** — W. E. Hutton & Co., Cincinnati, O., and Kalman & Co., Inc., St. Paul, Minn. (managing). **Offering**—Expected in late March.

★ **Educators Investment Corp. of Alabama**
Feb. 14, 1961 (letter of notification) 50,000 shares of capital stock (par $1) and $100,000 of 15-year 5% general obligation debentures to be offered in multiples of $25. **Price**—(Stock) $3 per share. (Debentures) at face amount. **Proceeds**—For expansion. **Office** — 1704-11th Avenue S, Birmingham, Ala. **Underwriter**—None.

● **Electro Consolidated Corp. (3/27-31)**
Jan. 27, 1961 filed 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged in the design, manufacture, distribution and sale of fluorescent and incandescent lighting fixtures for commercial and industrial use, and the manufacture and sale of household appliances including broilers and foodslicers. **Proceeds**—For the repayment of bank loans, new equipment, and working capital. **Office** — Spruce and Water Streets, Reading, Pa. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., both of New York City.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds** — To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

● **Elion Instruments, Inc. (3/13)**
Oct. 28, 1960 filed 60,000 outstanding shares of capital stock (par 50 cents), together with five-year warrants for the purchase of 6,000 new capital shares, to be offered for sale in units of one share of stock and one-tenth of a warrant. No sale will be made of less than 10 such units. **Price**—To be related to the price of the company's stock in the over-the-counter market immediately prior to the offering. **Business**—The firm makes and sells instruments and equipment for scientific and industrial measurement and analyses. **Proceeds**—To selling stockholders, who are two company officers who will lend the net proceeds to the company. **Office**—430 Buckley St., Bristol, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa.

★ **Fabien Corp.**
Feb. 27, 1961 filed 60,000 shares of outstanding common stock. **Price**—$6.75 per share. **Proceeds**—To selling stockholders. **Office**—Lodi, N. J. **Underwriter**—Goodbody & Co., New York City (managing).

● **Falls Plaza Limited Partnership (3/6-10)**
Dec. 5, 1960 filed 480 units of limited partnership interests. **Price**—$1,000 per unit. **Business**—The building and operation of a shopping center on Broad Street in Falls Church, Va. **Proceeds**—For the purchase of land and the erection of a shopping center. **Office** — 1823 Jefferson Place, N. W., Washington, D. C. **Underwriter**—Hodgdon & Co., Inc., and Investor Service Securities Inc., both of Washington, D. C.

Faradyne Electronics Corp.
Jan. 30, 1961 filed $1,500,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—To be named.

★ **Federal Shell Homes, Inc.**
Feb. 23, 1961 filed 675,000 shares of common stock; $1,350,000 of 9% convertible subordinated debentures (par $10); and 135,000 1964 warrants to be offered for public sale in 135,000 units, each unit to consist of five common shares, one debenture and one warrant. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—225 West Carolina St., Tallahassee, Fla. **Underwriter** — Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

Florida Guaranty Title & Trust Co.
Nov. 29, 1960 (letter of notification) 83,125 shares of common stock (par 50 cents). **Price**—$3.60 per share. **Proceeds** — To pay a second mortgage instalment, for advertising, and for working capital. **Office**—1090 N. E. 79th St., Miami, Fla. **Underwriter**—Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

Forcite, Inc.
Jan. 26, 1961 filed 150,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of a specialized line of furniture, and the operation of a chain of retail furniture stores in New York City, Chicago, Ill., and Los Angeles, Calif. **Proceeds**—To repay loans, discharge outstanding 7% debentures due in March 1962, finance the opening of new retail outlets and for working capital. **Office**—117-20 14th Road, College Point, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Expected in late April.

Fulton Industries, Inc.
Feb. 21, 1961 filed 233,955 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — Atlanta, Ga. **Underwriters** — Robinson-Humphrey Co., Inc., Atlanta, Ga., and Walston & Co., Inc., New York City (managing).

● **Fund of America, Inc. (3/15)**
Jan. 6, 1961 filed 500,000 shares of common stock. **Price**—$10 per share. **Business** — The company, formerly named Southern Industries Fund, Inc., is an open-end balanced investment trust. **Office**—60 East 42nd Street, New York, N. Y. **Underwriters**—Ladenburg, Thalmann & Co., New York City and Minis & Co., Inc., Savannah, Georgia.

G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

● **General Supermarkets, Inc.**
Jan. 17, 1961 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To be used as working capital to expand the number of supermarkets. **Office**—200 Main Ave., Passaic, N. J. **Underwriter** — Godfrey, Hamilton, Magnus & Co., Inc., New York City (managing). **Offering**—Expected in late March.

★ **General Telephone Co. of Florida (3/14)**
Feb. 21, 1961 filed 400,000 shares of cumulative preferred stock (par $25). **Price**—At par. **Business**—This subsidiary of General Telephone & Electronics Corp., operates a telephone system in Florida. **Proceeds**—For the repayment of bank loans. **Office**—610 Morgan St., Tampa, Fla. **Underwriters** — Paine, Webber, Jackson & Curtis, New York City (managing); Stone & Webster Securities Corp., New York City, and Mitchum, Jones & Templeton, Los Angeles, Calif.

Genie Petroleum, Inc.
Nov. 10, 1960 filed 838,718 shares of common stock. **Price**—$1 per share. **Business**—Development of oil properties. **Proceeds**—For general corporate purposes. **Office**—5245 W. Irving Park Road, Chicago, Ill. **Underwriter**—The issuer intends to become a licensed broker-dealer in the states in which this offering is to be made, and to offer 338,718 of the shares through its officers and employees. The remaining 500,000 shares will be offered through other licensed broker-dealers on a "best efforts" basis.

★ **Giannini Scientific Corp.**
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwirter**—Kidder, Peabody & Co., Inc., New York, N. Y.

Gold Medal Packing Corp. (3/6-10)
June 17, 1960 filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialists. It also sells certain dairy products. **Underwriter**—Capital Investment Co., Newark, N. J.

Grayco Credit Corp.
Jan. 16, 1961 (letter of notification) $150,000 of 10-year 7% sinking fund debentures and 75,000 shares of common stock (par $1) to be offered in units consisting of 50 shares of common and $100 of debentures. **Price**—$200 per unit. **Proceeds** — For working capital. **Office** — 1012 Market St., Johnson City, Tenn. **Underwriter**—Branum Investment Co., Inc., Nashville, Tenn.

★ **Great Lakes Bowling Corp.**
Feb. 24, 1961 filed $1,250,000 of 6% convertible subordinated debentures, due 1976. **Price**—$1,000 per debenture. **Business**—The operation of bowling centers with adjoining refreshment facilities in Michigan. **Proceeds**—For construction and working capital. **Office** — 6366 Woodward Ave., Detroit, Mich. **Underwriter**—None.

● **Greenfield Real Estate Investment Trust (3/15)**
Dec. 21, 1960, filed 500,000 shares of beneficial interest. **Price**—To be supplied by amendment. **Business** — The company was organized on Dec. 20, 1960 to provide investors with an interest in diversified income-producing properties consisting principally of real estate interests. **Proceeds**—For investment. **Office** — Bankers Securities Bldg., Philadelphia, Pa. **Underwriter** — Drexel & Co., Philadelphia (managing).

● **Guild Musical Instrument Corp. (3/3-7)**
Oct. 25, 1960 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

● **Gulf Guaranty Land & Title Co. (3/6-10)**
Nov. 29, 1960 filed $750,000 of 7% convertible subordinated debentures due 1968 and 150,000 shares of common stock to be offered in units, each unit to consist of $100 of debentures and 20 shares of common stock. **Price**—$200 per unit. **Business** — The development of a planned community in Cape Coral, Fla. **Proceeds**—To reduce indebtedness, repay a mortgage, construction, and general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Street & Co., New York City (managing).

● **Home Lab Supply, Inc. (4/3-7)**
Feb. 15, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of educational and scientific equipment for boys and girls. **Proceeds**—For general corporate purposes. **Office**—511 Homestead Avenue, Mount Vernon, N. Y. **Underwriter**—Fontana Securities Inc., New York, N. Y.

● **Honey Dew Food Stores, Inc. (3/6-10)**
Jan. 27, 1961 (letter of notification) 116,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The company operates a chain of 10 supermarkets. **Proceeds**—For general corporate purposes. **Office** — 811 Grange Road, Teaneck, N. J. **Underwriter** — Capital Investment Co., Newark, N. J.

● **Hydro-Electronics Corp.**
Nov. 21, 1960 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The design and manufacture of precision measuring equipment, automation equipment and general precision fluid controls. **Proceeds** — For general corporate purposes. **Office**—691 Merrick Road, Lynbrook, L. I., N. Y. **Underwriter** — Amber, Burstein & Co., Inc., 40 Exchange Place, New York City. **Offering**—Expected in mid-March.

Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—764 Equitable Building, Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

★ **Idaho Maryland Industries, Inc.**
Feb. 27, 1961 filed 1,155,521 outstanding shares of common stock to be offered for public sale by the holders thereof on the Pacific Coast Stock Exchange or in the over-the-counter market. **Price**—At the market. **Business**—The production of fluid control devices for the aircraft and missile industries; the production of precision castings; the design and production of high performance precision recording and memory devices; the testing of electronic, pneumatic and hydraulic components and systems; the fabrication and sale of adjustable metal framing, elevated floor systems and special fabrication facilities. **Proceeds**—For the selling stockholders. **Office**—13103 Ventura Boulevard, Studio City, Calif. **Underwriter**—None.

Income Planning Corp.
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J. **Offering**—Expected in mid-March.

★ **Industrial Instrument Corp.**
Feb. 27, 1961 filed 60,000 shares of 6% second series cumulative convertible preferred stock (par $10) to be offered for subscription by the holders of its outstanding common and first series preferred stock on the basis of one new share of preferred for each eight shares of common and one new share for each share of preferred held. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of instruments used to measure and control the flow, level, pressure and temperature of liquids and gases. **Proceeds**—To repay loans, buy new equipment and for working capital. **Office**—8400 Research Road, Austin, Texas. **Underwriter**—None.

★ **Inter-Mountain Telephone Co. (3/17)**
Filed Feb. 23, 1961, 465,000 shares of common stock to be offered for subscription by stockholders on the basis of one new share for each three shares held of record March 17. **Price**—To be supplied by amendment. **Proceeds** — For the repayment of loans. **Office**—Bristol, Tenn. **Underwriter**—Courts & Co., Atlanta, Ga. and New York City (managing).

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—T. M. Kirsch Co., New York City. **Offering**—Expected sometime in March.

★ **International Life Insurance Co. of Buffalo**
Feb. 21, 1961 filed 350,000 shares of capital stock. **Price**—$5 per share. **Business**—The company was organized under New York law in March 1960 and is licensed to conduct an insurance business in that state, but has not commenced operations as of the filing date. **Proceeds**—For the general conduct of business and the setting up of reserves against policies as written. **Office**—310 Delaware Ave., Buffalo, N. Y. **Underwriter**—None.

International Mosaic Corp.
Sept. 30, 1960 (letter of notification) 99,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

★ **International Photocopy Corp.**
Feb. 28, 1961 (letter of notification) 100,000 shares of common stock. **Business**—Manufacturer and distributor of office photocopying equipment, chemicals and paper. **Proceeds**—For expansion and working capital. **Office**—Chicago, Ill. **Underwriter** — J. J. Krieger & Co., New York City.

International Safflower Corp.
Aug. 3, 1960 filed 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, buy seed, buy or lease land, building, and machinery, and for working capital. **Office**—350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

● **Invesco Collateral Corp. (4/3-7)**
Dec. 8, 1960, filed $300,000 of 6% registered debentures, series due June 30, 1964; $300,000 of 6% registered debentures, series due June 30, 1965, and $300,000 of 6% registered debentures, series due June 30, 1966. **Price**—To be offered for sale in $5,000 units at $4,450 per unit for the 1964 debentures, at $4,315 per unit for the 1965 debentures and at $4,190 per unit for the 1966 debentures. **Business**—The purchasing, investing in and selling of real estate mortgages. However, the company may buy, invest in and sell other types of securities. **Office**—511 Fifth Ave., New York, N. Y. **Underwriter**—None. **Note**—This company is a wholly owned subsidiary of Investors Funding Corp.

● **Irvington Steel & Iron Works**
Feb. 13, 1961 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Business** — Fabricators of structural steel. **Proceeds** — For general corporate purposes. **Office** — Somerset Street, New Brunswick, N. J. **Underwriter**—L. L. Fane & Co., Inc., Plainfield, N. J. **Offering**—Expected in mid-March.

Israel Development Corp.
Nov. 21, 1960 filed $3,000,000 of 5½% convertible sinking fund debentures, series A, due 1975, and 100,000 shares of common stock underlying such debentures. **Price**—To be offered in denominations of $500, $1,000 and $5,000, payable in cash or State of Israel bonds. **Business**—The company is a closed-end investment company which makes funds available for the economic development of Israel. **Proceeds**—To invest in establishing or existing Israeli businesses. **Office**—17 East 71st St., New York City. **Underwriter**—None.

● **Jefferson Lake Asbestos Corp. (3/13-17)**
Jan. 9, 1961 filed $2,625,000 of 6½% series A subordinated sinking fund debentures due 1972 (with series A warrants to purchase 262,500 common shares), and 175,000 shares of common stock to be offered for public sale in units consisting of four common shares and a $60 debenture (with a warrant to purchase six common shares initially at $J per share). **Price**—$80 per unit. **Business**—The production and sale of asbestos. **Proceeds**—For construction and working capital. **Office**—1408 Whitney Building, New Orleans, La. **Underwriter** — A. G. Edwards & Sons, St. Louis, Mo. (managing).

Jensen Industries (3/15)
Feb. 8, 1961 (letter of notification) 75,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—For expansion. **Office**—Los Angeles, Calif. **Underwriters**—Maltz, Greenwald & Co., New York City and Thomas, Jay Winston & Co., Los Angeles, Calif.

Jet-Aero Corp.
Feb. 10, 1961 (letter of notification) 62,500 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To purchase new machinery and equipment, in-

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crease inventory, research and development and working capital. Office—950 S. E. 8th St., Hialeah, Fla. Underwriter—Netherlands Securities Co., Inc., New York, N. Y.

★ Jodmar Industries, Inc.
Feb. 24, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). Price—$4 per share. Business—Design, lay-out, installation and maintenance of industrial heating and air-conditioning systems. Proceeds—For the purchase of inventory for current business; purchase of machinery, equipment and inventory for proposed manufacturing business; sales promotion and reserves. Office—8801-11 Farragut Road, Brooklyn 36, N. Y. Underwriter—Fontana Securities, Inc., 82 Beaver Street, New York, N. Y.

★ Joliet Inn Associates
Feb. 15, 1961 (letter of notification) $235,000 of limited partnership interests to be offered in units. Price—$5,000 per unit or in fractional units of not less than $2,500 each. Proceeds—To purchase a motel and for working capital. Address—Joliet, Ill. Underwriter—First Realty Syndicators, 11 E. 44th St., New York, N. Y.

● Jonker Business Machines, Inc. (3/6)
Sept. 30, 1960 filed approximately 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common. Price—To be supplied by amendment. Proceeds—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. Office—404 No. Frederick Ave., Gaithersburg, Md. Underwriter—Hodgdon & Co., Inc., Washington, D. C.

● Jouet, Inc. (3/3-6)
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par five cents). Price — $2 per share. Business — The manufacture of dolls, toys and similar items. Proceeds—For the purchase and installation of machinery and molds and for working capital. Office 346 Carroll Street, Brooklyn, N. Y. Underwriter—Edward H. Stern & Co., 32 Broadway, New York, N. Y.

● Jungle Juice Corp.
Oct. 28, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). Price—$2.50 per share. Proceeds—For working capital and expansion. Address—Seattle, Wash. Underwriters—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, N. Y. Offering—Expected in March.

● Kavanau Corp.
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). Price—$10 per share. Business—A real estate investment company. Proceeds—For acquisition of properties, working capital and general corporate purposes. Office—415 Lexington Ave., New York, N. Y. Underwriter—Ira Investors Corp., New York, N. Y. Offering—Expected in early April.

● Kings Electronics Co., Inc.
Jan. 27, 1961 filed 295,187 shares of common stock, of which 250,000 are to be offered for public sale by the company and 45,187 shares, being outstanding stock, by the present holders thereof. Price—$4 per share for the new stock. The outstanding shares will be offered at the prevailing market price on the over-the-counter market or on any securities exchange upon which they may be listed at any time after 60 days from the date of the company's offering. Business—The company is engaged principally in the design, development and manufacture of radio frequency connectors. Proceeds—For expansion, the repayment of loans and for working capital. Office—40 Marbledale Road, Tuckahoe, N. Y. Underwriter—Ross, Lyon & Co., Inc., New York City (managing). Offering—Expected sometime in April.

(S.) Klein Department Stores, Inc. (3/6-10)
Jan. 23, 1961 filed 130,000 shares of common stock, of which 72,000 shares are to be offered directly to five persons at the initial offering price and 58,000 shares are to be offered for public sale at a price related to the current market for outstanding shares at the time of the offering. Business—The company operates four department stores in the New York City area. Proceeds — To purchase from the Prudential Insurance Co. of America, $1,350,000 of the company's 4½% notes due Sept. 1, 1969. The balance of the proceeds will be added to working capital. Underwriter—Emanuel, Deetjen & Co., New York City.

Knapp & Tubbs, Inc.
Feb. 13, 1961 filed 150,000 outstanding shares of common stock. Price—$4 per share. Business—The selling at wholesale of home furniture, interior decorative furnishings and are objects. Proceeds—To the selling shareholders. Office—Merchandise Mart, Chicago, Ill. Underwriter—Roman & Johnson, Fort Lauderdale, Fla. (managing).

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. Price—$6 per share. Business—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. Proceeds—For the selling stockholders. Office—300 West 43rd Street, New York City. Underwriter—None.

Kurz & Root Co.
Dec. 30, 1960 (letter of notification) 66,500 shares of common stock (par $1). Price—$4.50 per share. Proceeds — For general corporate purposes. Office — 232 East North Island Street, Appleton, Wis. Underwriter—Milwaukee Co., Milwaukee, Wis.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock Price—At par ($10 per share). Proceeds—For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. Office—300 W. 61st St., Shreveport, La. Underwriter—International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

● Lafayette Radio Electronics Corp. (3/13-17)
Jan. 27, 1961 filed $2,500,000 of convertible subordinated debentures due 1976 to be offered for public sale by the company, and 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Price—To be supplied by amendment. Business—The company and its subsidiaries are engaged in the business of distributing an extensive line of electronic parts and equipment and high fidelity sound components, and in the engineering, designing, assembling and distributing of electronic equipment in kit and wired form. Proceeds—For the repayment of loans, for new equipment and for working capital. Office — 165-08 Liberty Avenue, Jamaica, N. Y. Underwriters—C. E. Unterberg, Towbin Co., New York City.

★ Lake Aircraft Corp.
Feb. 14, 1961 (letter of notification) $300,000 of 6½% convertible subordinated debentures, series A, due March 1, 1981. Price—At face value. Proceeds—To reduce short-term loans and for working capital. Address—Sanford, Maine. Underwriter—Mann & Creesy, 70 Washington St., Salem, Mass.

● Lake Arrowhead Development Co. (3/27-31)
Jan. 10, 1961 filed 300,000 shares of common stock. Price—$10 per share. Business — Managing and developing the Arrowhead property, which is located in the San Bernadino Mountains. Proceeds—To reduce indebtedness, with the balance for general corporate purposes, including working capital. Office — Lake Arrowhead, Calif. Underwriters — Van Alstyne, Noel & Co., New York City (managing) and Sutro & Co., San Francisco.

Landmark Corp.
Jan. 27, 1961 filed 30,000 shares of $5 par common stock. Price—$10 per share. Proceeds—For construction, cost of land, office equipment, and working capital. Office—212 W. Jefferson St., Fort Wayne, Ind. Underwriter—First Security Corp., Fort Wayne, Ind.

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. Price—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. Business—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. Proceeds—For exploration and development of oil lands. Office—22 Rothschild Blvd., Tel-Aviv, Israel. Underwriter—None.

● Leaseway Transportation Corp.
Jan. 11, 1961 filed 150,000 shares of common stock, of which 75,000 shares are to be offered for the account of the issuing company and the remaining 75,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. Price—To be supplied by amendment. Business—The company was formed last November, and has gained or will gain control of 81 corporations. The company will lease trucks and other commercial vehicles on a long-term basis, and will engage in the intrastate operation of trucks as a local contract carrier. Proceeds—For working capital, which may be used for acquisitions or to enhance the issuer's borrowing power. Office — 11700 Shaker Blvd., Cleveland, O. Underwriter—Hayden, Stone & Co., New York City (managing). Offering—Imminent.

● Lee Communications Inc.
Nov. 28, 1960 (letter of notification) 150,000 shares of common stock (par one cent). Price—$2 per share. Business—The manufacture, research, sale and distribution of communications equipment and related products. Proceeds—For payment of bank loans; new equipment; advertising and promotion; engineering research and for working capital. Office—470 Park Ave., S., New York, N. Y. Underwriter—H. B. Crandall Co., New York, N. Y. Offering—Expected in March.

Le-Wood Homes, Inc.
Jan. 19, 1961 (letter of notification) 100,000 shares of common stock (par 50 cents) and 100,000 of 9% convertible debentures due March 1, 1971 to be offered in units of 100 shares of common stock and 1-$100 of debentures. Price—Of stock, $2 per share; of debentures, $300 per unit. Proceeds—For working capital. Office—7001 W. Broad St., Richmond, Va. Underwriter—Bellamah, Neuhauser & Barrett, Washington, D. C.

● Lockwood Grader Corp.
Feb. 2, 1961 filed $500,000 of 6% sinking fund debentures, series A (with warrants for the purchase of 15,000 shares of class A common stock), and 30,000 shares of class A common stock. Price—To be filed by amendment. Business—The manufacture and sale of field agricultural machinery and grading, sorting and handling machinery, primarily for use in the potato industry. Proceeds—For working capital. Office—Gering, Nebr. Underwriter—First Trust Co. of Lincoln, Neb. Offering—Expected in late March.

Management Assistance Inc.
Dec. 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). Price—$5 per share. Business — Consulting services and installation of business machines. Proceeds — For general corporate purposes. Office—40 Exchange Place, New York 5, N. Y. Underwriter — Federman, Stonehill & Co., New York, N. Y. Offering—Imminent.

Mansfield Industries Inc. (3/27)
Jan. 31, 1961 filed 150,000 shares of common stock of which 50,000 shares will be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. Price — To be supplied by amendment. Business—The manufacture of motion picture projectors and related equipment. Proceeds — For general corporate purposes, including working capital. Office—1227 West Loyola Ave., Chicago, Ill. Underwriter—McDonnell & Co., Inc., New York City (managing).

● Marine Capital Corp. (4/3-7)
Feb. 16, 1961 filed 667,000 shares of common stock. Price—$15 per share. Business—The company is a closed-end, non-diversified management investment company organized under the Small Business Investment Act of 1958, and a wholly-owned subsidiary of Marine Corp., a bank holding company. Proceeds—For investment. Office—622 North Water St., Milwaukee, Wis. Underwriter—Paine, Webber, Jackson & Curtis, New York City (managing).

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). Price—$3 per share. Proceeds—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. Address—Hagerstown, Md. Underwriter—Batten & Co., Washington, D. C.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). Price—$3 per share. Proceeds—To purchase raw materials, advertising and for working capital. Office—204 E. Washington St., Petaluma, Calif. Underwriter—Grant, Fontaine & Co., Oakland, Calif.

Marley Co. (3/8)
Jan. 25, 1961 filed 100,996 shares of common stock ($2 par), of which 75,000 shares are to be offered for public sale and 25,996, being outstanding stock, by the present holders thereof. Price—To be supplied by amendment. Business — The manufacture, sale and maintenance of water cooling towers, and the manufacture and sale of air cooled refrigerant condensers, marketed under the trade name "DriCooler." Office—222 West Gregory Blvd., Kansas City, Mo. Underwriter—White, Weld & Co., New York City (managing).

Marmac Industries, Inc.
Dec. 22, 1960, filed 108,000 shares of common stock. Price—$4.50 per share. Business—The manufacture and sale of wood cabinets. Proceeds—For general business purposes. Office—Wenonah, N. J. Underwriter—Metropolitan Securities, Inc., Philadelphia (managing). Offering—Imminent.

● Mensh Investment & Development Associates, Inc.
Nov. 17, 1960 filed $969,000 of debentures and 32,300 shares of stock being offered for subscription by stockholders upon the exercise prior to their expiration on March 22 of rights evidenced by subscription warrants to be issued on the basis of one right for each share of capital stock held of record Feb. 10. Thirty-five rights are needed to subscribe for the minimum unit of $750 of debentures and 25 shares of stock. Price—100% per debenture and $10 per share of stock. Business—The principal assets of the company are an office building at 1910 K St., N. W., Washington, D. C. Proceeds—To retire certain obligations; make improvements on property; retire debentures due 1961, and to construct or acquire income producing properties. Office — 1625 Eye St., N. W., Washington, D. C. Underwriter—None. Note—This statement was effective Feb. 20.

Mercury Electronics Corp. (3/6-10)
Dec. 30, 1960 (letter of notification) 100,000 shares of common stock (par five cents). Price — $3 per share. Business—Manufacturers of testing equipment. Proceeds—For general corporate purposes. Address—Mineola, L. I., N. Y. Underwriter—S. Schramm & Co. Inc., New York City.

Mesabi Iron Co.
Jan. 10, 1961 filed 180,000 shares of capital stock, to be offered for subscription by the company's stockholders. Price—To be supplied by amendment. Proceeds—To establish a reserve for 1960 tax payments. Office — 452 Fifth Ave., New York City. Underwriter—None. Note—Feb. 1 it was reported that the company is awaiting a tax ruling, subsequent to which a decision will be made as to whether or not the offering will be made.

Metropolitan Securities, Inc.
Nov. 17, 1960 (letter of notification) 100,000 shares of class A common stock (par $1). Price—$3 per share. Proceeds — For working capital. Office — 919-18th St., N. W., Washington, D. C. Underwriter — Metropolitan Brokers, Inc., Washington, D. C. Offering — Expected sometime in March.

★ Michigan Gas Utilities Co.
Feb. 23, 1961 filed 100,000 shares of common stock (par $2.50). Price—To be supplied by amendment. Business—The distribution of natural gas to some 50 localities in southern and western Michigan having a total population of about 287,500. Proceeds—The net proceeds, together with the private sale of $3,500,000 of first mortgage bonds, will be used to repay short-term bank loans incurred for construction, and other corporate purposes. Office—6 South Monroe St., Monroe, Mich. Underwriter—Kidder, Peabody & Co. Inc., New York City (managing). Offering—Expected in early April.

Midwestern Acceptance Corp.
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. Price — $1 per unit. Business — The company will do interim financing in the home building industry. Proceeds — To start its lending activities. Address — P. O. Box 886, Rapid City, S. D. Underwriter—None.

● Minitone Electronics, Inc. (3/6-10)
Jan. 11, 1961 filed 185,000 shares of common stock for public offering. **Price**—$3 per share. **Business**—The firm was organized last March for the purpose of making and selling small DC motors and certain consumer products using such motors. **Proceeds**—For debt reduction and general corporate purposes, including working capital. **Office**—55 W. 13th St., New York City. **Underwriter**—None.

Mississippi River Transmission Corp.
Feb. 17, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, a subsidiary of Mississippi River Fuel Corp., is constructing a natural gas pipe line which will extend from Clay County, Ill., to St. Louis County, Mo., a distance of about 94 miles. **Proceeds**—For construction and working capital. **Office**—9900 Clayton Road, St Louis, Mo. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City and Dempsey-Tegeler & Co., St. Louis, Mo. (managing).

Mobile Credit Corp.
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65¢ convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill. **Offering**—Imminent.

Modern Furniture, Inc.
Jan. 12, 1961 (letter of notification) 300,000 shares of class A common stock. **Price** — At par ($1 per share). **Proceeds**—To purchase furniture and for working capital. **Office**—First National Bank Building, Denver, Colo. **Underwriter** — Equity General Investment Corp., First National Bank Bldg., Denver, Colo.

● Modern Materials Corp.
Jan. 4, 1961 filed 150,000 shares of common stock, of which 50,000 will be offered for sale by the company and the remaining 100,000, being outstanding stock, by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and distribution of aluminum and asphalt siding and related accessories. **Proceeds** — For the repayment of loans and for general corporate purposes. **Office**—7018 South Street, Detroit, Mich. **Underwriter**—Smith, Hague & Co., Detroit (managing). **Offering**—Imminent.

● Mohawk Insurance Co. (3/8)
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

Mokan Small Business Investment Corp., Inc.
Jan. 17, 1961 filed 3,000 shares of common stock. **Price**—$100 per share. **Business**—The company was organized under Kansas law in October 1960 and is applying to the Small Business Administration for a Federal license to operate as a small business investment company. **Proceeds**—For general corporate purposes. **Office** — 719 Walnut St., Coffeyville, Kan. **Underwriter**—None.

Monarch Electronics International, Inc.
Oct. 31, 1960 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, organized in 1958 under the name Arrow Electronics International, Inc., imports and sells electronic and high fidelity parts and equipment. **Proceeds**—To retire bank loans and for working capital. **Office**—7035 Laurel Canyon Boulevard, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., 240 Montgomery Street, San Francisco, Calif. **Offering** — Expected in March.

● Mortgage Guaranty Insurance Co.
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State. The offering has been temporarily postponed.

Morton Foods, Inc.
Feb. 17, 1961 filed 190,000 shares of common stock, of which 178,000 are to be offered for public sale by the company and 12,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company manufactures, processes, packages and sells many food items such as potato chips, salad dressing, pickels, honey, tea and spices. **Proceeds** — To build and equip two additional manufacturing plants and warehouses. **Office** — 6333 Denton Dr., Dallas, Tex. **Underwriter**—Eppler. Guerin & Turner, Inc., Dallas, Tex. (managing).

● Mothers Cookie Co. (3/8)
Feb. 6, 1961 filed 135,000 outstanding shares of no par common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of packaged cookies. **Proceeds** — To the selling stockholder **Office** — 2287 Ralph Avenue, Louisville, Ky. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

● Municipal Investment Trust Fund, Series A (3/20-24)
Sept. 1, 1960 filed $20,000,000 of interest in the Fund to be offered in 20,000 units. **Business**—The Fund will purchase tax-exempt securities of states, municipalities, counties and territories of the United States. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Note**—This statement was effective on Feb. 14.

● National Airlines, Inc.
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing). **Offering**—Indefinite.

★ National Bowl-O-Mat Corp.
Feb. 24, 1961 filed 220,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company was organized under New Jersey law on Jan. 10, 1961 for the purpose of owning and operating a national chain of bowling centers. **Proceeds** — For expansion, repayment of loans, working capital and other general corporate purposes. **Office** — 152 Market St., Paterson, N. J. **Underwriter**—Granbery, Marache & Co., New York City (managing). **Offering**—Expected in early April.

● National Food Marketers, Inc. (3/6-10)
Jan. 27, 1961 filed 100,000 shares of common stock. **Price** $4 per share. **Business**—The company is engaged in the processing and packaging of quick-frozen, prepared seafood meat and poultry for use by restaurants and institutions and frozen ready-to-heat meals for distribution through vending machines. **Proceeds** — To repay loans; purchase additional machinery; establish a food laboratory, and for advertising, promotion, and working capital. **Office**—Blue Anchor, N. J. **Underwriter**—Robert Edelstein Co., Inc., New York City.

National Western Insurance & Growth Fund, Inc.
Jan. 27, 1961 filed 111,000 shares of common stock, of which 11,000 will first be offered to not more than 25 persons and the remaining 100,000 will be offered for public sale. **Price** — $9.15 per share (for the 11,000 shares), and $10 per share (for the 100,000 shares). **Business**—The company was organized under Delaware law in August 1960 to invest in companies believed to have growth possibilities, especially in the life insurance field. **Proceeds**—For investment. **Office**—737 Grant St., Denver, Colo. **Distributor** — National Western Management Corp., Denver, Colo.

★ Nedick's Stores, Inc.
Feb. 21, 1961 filed 185,000 shares of common stock (par 20 cents), of which 60,000 shares are to be offered for the account of the company and 125,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—513 West 166th St., New York, N. Y. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected sometime in April.

New Western Underwriting Corp.
Oct. 25, 1960 filed $2,000,000 of 15-year 6% subordinated convertible debentures. **Business** — The company which was organized in August, 1959, is developing, through subsidiaries, a dealer-recourse finance business and a life insurance business. **Proceeds**—For expansion. **Price**—At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North, Billings, Mont.

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price**—$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

● North American Car Corp.
Feb. 21, 1961 filed 150,000 shares of common stock. **Price**—To be related to the market price for the outstanding shares at the time of the offering. **Proceeds** — For refinancing equipment trust notes, with the balance for working capital. **Office**—Chicago, Ill. **Underwriters**—Glore, Forgan & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City. **Offering**—Expected in early April.

● Nytronics, Inc. (3/20)
Jan. 27, 1961 filed 100,000 shares of capital stock. **Price**—To be supplied by amendment. **Business** — The company is engaged in the development, design, production and sale of electronic components for use in communications equipment, missiles, commercial computers, servos, commercial radio and television, data-handling, navigational, and industrial control equipment. **Proceeds**—For expansion, new equipment, and working capital. **Office**—550 Springfield Ave., Berkeley Heights, N. J. **Underwriter**—Norton, Fox & Co., Inc., New York City (managing).

● Ohio-Franklin Fund, Inc. (4/17)
Feb. 3, 1961 filed 2,000,000 shares of common stock to be offered to investors through a tax-free exchange of shares for securities of a selected list of companies. **Exchange Price**—Net asset value (expected to be $10 per share). **Business**—A new fund which provides a medium through which holders of blocks of securities may obtain diversification and continuous professional investment management without incurring Federal capital gains tax liability upon the exchange. **Proceeds**—For investment. **Office**—51 North High St., Columbus, O. **Distributor**—The Ohio Co., Columbus, O.

★ One Maiden Lane Fund, Inc.
March 2, 1961, expected to file 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund. **Proceeds** — For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nichols & Co., Inc., 1 Maiden Lane, New York 38, N. Y.

● Packard Instrument Co., Inc. (4/3-7)
Feb. 13, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The firm is engaged in the development, manufacture and sale of scientific instruments. **Proceeds**—For general corporate purposes, including research and debt reduction. **Office**—Lyons, Ill. **Underwriter** — A. G. Becker & Co. Inc., Chicago, Ill. (managing).

● Palm Developers Limited (3/29)
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City.

Palomar Mortgage Co.
Dec. 15, 1960 filed $1,100,000 of subordinated convertible debentures, due 1975. **Price** — At 100% of principal amount. **Business**—The obtaining, arranging and servicing of real estate loans. **Office**—5th & University Aves., San Diego, Calif. **Proceeds** — To retire bank loans and for working capital. **Underwriter** — J. A. Hogle & Co., Salt Lake City (managing). **Offering**—Imminent.

★ Panacolor, Inc.
Feb. 24, 1961 filed 200,000 shares of common stock (par 20 cents). **Price**—$4 per share. **Business**—The company plans to engage in the business of developing and printing color film primarily for the motion picture and television industries. **Proceeds**—For the construction of two machines to print color film by the Panacolor Process; for sales promotion, market development and officers' salaries; for mortgage and interest payments; and for working capital. **Office**—6660 Santa Monica Blvd., Hollywood, Calif. **Underwriter** — Federman, Stonehill & Co., New York City (managing). **Offering**—Expected sometime in April.

★ Panoil Co.
Feb. 23, 1961 filed 3,000,000 shares of capital stock to be offered for subscription by stockholders in units (each unit consisting of four shares) on the basis of one unit for each share of capital stock held. **Price**—To be supplied by amendment. **Business**—The company, formerly Pan American Land & Oil Royalty Co., was organized in 1956 to acquire petroleum concessions in Cuba. It obtained stock in certain Cuban royalty and concession holding companies, which stock is now considered without value. At present the company has petroleum concession rights in Colombia, Turkey and Trinidad. **Proceeds**—To repay debts and for working capital. **Office**—1130 Republic National Bank Bldg., Dallas, Tex. **Underwriter**—None.

Pantex Manufacturing Corp.
Dec. 27, 1960 filed 513,299 shares of capital stock, of which 307,222 shares are to be offered for the account of the issuing company and 206,077 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The stock being offered for the company is a rights offering; one new share will be offered for each three capital shares held. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of 200,000 shares of Tel-A-Sign, Inc. for $450,000, said shares to be distributed as a dividend to shareholders, with the balance for general corporate purposes, including working capital. **Office**—Central Falls, R. I. **Underwriter**—None.

Pearce-Simpson, Inc.
Dec. 30, 1960 filed $1,800,000 of outstanding 6% convertible debentures due April 1, 1970; 200,000 shares of common stock reserved for issuance upon conversion of the debentures; 145,938 outstanding shares of common stock; 72,500 outstanding warrants for the purchase of common shares and a like number of underlying shares. **Business**—The manufacture of radio telephones. **Proceeds**—To the selling stock and debenture holders. **Office**—2295 N. W. 14th Street, Miami, Fla. **Underwriter**—None.

Pecos Land & Development Co., Inc.
Jan. 31, 1961 filed 4,000,000 shares of common stock, of which 500,000 are to be offered for public sale by officers of the company at $1 per share; 1,897,661 shares are to be exchanged for various assets and businesses, and may be offered for sale by the holders; and 914,574 shares may be issued by the company from time to time in the acquisition of additional properties. **Business**—The acquiring, holding, developing and selling of land, and oil and gas and mining properties, all located principally in the Southwestern and Rocky Mountain regions of the United States. **Proceeds** — For general corporate purposes. **Office**—207 Shelby St., Santa Fe, New Mexico. **Underwriter**—None.

● Personal Property Leasing Co. (3/20-24)
Jan. 24, 1961 filed 150,000 shares of capital stock. **Price**—$6.50 per share. **Business**—The company is engaged in the business of leasing a variety of equipment and machinery to industrial and commercial firms to meet their specific requirements. **Proceeds** — For additional working capital. **Office** — 6381 Hollywood Blvd., Los Angeles, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

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★ Peterson Building Corp.
Feb. 24, 1961 filed $630,000 of 5½% leasehold mortgage sinking fund bonds to be offered for public sale in denominations of $1,000 and $500. **Business**—The company is constructing a building on leased premises in the business district of Lincoln, Neb., which will provide street level space for retail tenants and a six-level, self-parking garage. **Proceeds**—For construction. **Office**—National Bank of Commerce Bldg., Lincoln, Neb. **Underwriters**—Ellis, Holyoke & Co., and Commerce Investment Co., both of Lincoln, Neb.

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ Photronics Corp. (6/15)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders on the basis of three new shares for each four shares held. **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

Plastics Corp. of America, Inc.
Feb. 9, 1961 filed 800,000 shares of common stock, of which 650,000 shares are to be offered first in exchange for outstanding 5% notes on the basis of one share for each $1 principal amount of 5% note with the remaining 150,000 shares, together with any of the 650,000 shares not issued in the exchange, to be offered publicly. **Price**—$1 per share. **Business**—The company was organized under Minnesota law in November 1960 to provide a vehicle for the acquisition of companies engaged in the fields of plastics, rubber and related materials. **Proceeds** — To retire the above notes, open a plant in the Minneapolis-St. Paul area and provide working capital for any newly acquired companies. **Office**—1234 Baker Bldg., Minneapolis, Minn. **Underwriter**—None.

Polychrome Corp.
Dec. 29, 1960 filed 140,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of offset printing supplies and mimeograph stencils. **Proceeds** — For new facilities and new products and for working capital. **Office**—2 Ashburton Ave., Yonkers, N. Y. **Underwriter**—Westheimer & Co., Cincinnati (managing). **Offering**—Expected in late Mar.

Popell (L. F.) Co.
Nov. 18, 1960 filed 99,996 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares of common stock held. **Price**—To be supplied by amendment. **Business**—Distribution, sale and installation of building, insulating and acoustical products. **Proceeds**—For plant construction; expansion of its distribuiton of Perma-Glaze and working capital. **Office**—2501 Northwest 75th Street, Miami, Fla. **Underwriter**—To be supplied by amendment.

● Presidential Realty Corp.
Jan. 30, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business** — The company was organized under Delaware law in January, 1961, to acquire the outstanding stock of the Shapiro Co., which is engaged in the development of real estate projects of various types. **Proceeds**—For construction; acquisition of properties; development of projects; and reduction of bank debt. **Office**—180 South Broadway, White Plains, N. Y. **Underwriter**—Burnham & Co., New York City (managing). **Offering** — Expected in late March.

● Progress Webster Electronics Corp. (4/3-7)
Jan. 13, 1961 filed 150,000 shares of common stock. **Price**—$4.50 per share. **Business**—The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use. **Proceeds**—For working capital. **Office**—10th Street, and Morton Avenue, Chester, Pa. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing).

● Publishers Company, Inc. (3/20-24)
Jan. 27, 1961 filed 220,000 shares of common stock. **Price**—$10 per share. **Business**—The company and its subsidiaries are engaged in the business of selling and financing books sales. **Proceeds**—To acquire the assets of Books, Inc., 1140 Broadway, New York City; to invest in a new District of Columbia company, Books, Inc.; to invest additional funds in a subsidiary; to finance installment sales contracts receivable and for working capital. **Office**—1116 18th St., N. W., Washington, D. C. **Underwriters**—Amos Treat & Co., Inc., New York City and Roth & Co., Inc., Philadelphia, Pa. (managing).

Puerto Rican Airlines, Inc.
Feb. 6, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds** — For accounts payable, to purchase equipment and for general corporate purposes. **Office**—c/o F. J. Perez-Almiroty, 1764 Ponce de Leon Ave., San Juan, Puerto Rico. **Underwriter**—Investment Securities Co. of Maryland, Inc., Baltimore, Md.

Puget Sound Power & Light Co.
Jan. 13, 1961 filed 326,682 common shares being offered to common stockholders on the basis of one new share for each 10 shares held of record Feb. 15 with rights to expire March 6. **Price**—$33.75 per share. **Proceeds**—To repay bank loans and for construction. **Office**—1400 Washington Building, Seattle, Wash. **Underwriters**—Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City (managing).

● Radar Measurements Corp. (3/23)
Jan. 19, 1961 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office** — 190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y. **Note**—This is a refiling of a letter that was originally filed on Sept. 28, 1960.

● Ram Electronics, Inc.
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Note**—Plymouth Securities Corp., has withdrawn as underwriter.

● Random House, Inc. (3/13)
Jan. 27, 1961 filed 121,870 outstanding shares of common stock, to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries are in the business of publishing and distributing a wide variety of books. **Proceeds**—For the selling stockholders. **Office**—457 Madison Ave., New York City. **Underwriter**—Allen & Co., New York City (managing).

Realty Collateral Corp.
Dec. 12, 1960 filed $20,000,000 of collateral trust notes, series A, due 1981. **Price**—To be supplied by amendment. **Business** — The company was organized in September, 1960 to invest in real property mortgages insured under Title II of the National Housing Act. **Proceeds**—For general business purposes. **Office**—444 Madison Ave., New York, N. Y. **Underwriter**—None.

● Rego Insulated Wire Corp. (3/20)
Jan. 30, 1961 filed 200,000 shares of common stock, of which 180,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by the present holders thereof. **Price** — $4.50 per share. **Business**—The company is engaged in the manufacture of insulated wire and cable, garden hose and garden supply items, television antennas, plastic toys and doll bodies; and has recently commenced the production of thermoplastic compounds for use in its own manufacturing operations, as well as for resale to other manufacturers. **Proceeds**—For the repayment of loans and for working capital. **Office**—830 Monroe Street, Hoboken, N. J. **Underwriter** — Russell & Saxe, Inc., New York City, (managing).

Renwell Electronics Corporation of Delaware (3/13-17)
Jan. 9, 1961 filed 100,000 shares of common stock. **Price**—$4 per share. **Business**—The company was organized in December, 1960, to acquire all of the outstanding stock of Renwell Electronic Corp., a manufacturer of electronic assemblies and various other electronic components. **Proceeds** — For new equipment, plant expansion and working capital. **Office**—129 South State Street, Dover, Del. **Underwriter**—William David & Motti, Inc., New York City.

● Richmond-Eureka Mining Co.
Jan. 24, 1961 filed 103,133 shares of capital stock, to be offered to stockholders for subscription on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The operation of mining properties near Eureka, Nev. **Proceeds**—To repay loans from U. S. Smelting, Refining & Mining Co. **Office** — 75 Federal St., Boston, Mass. **Underwriter** — None. **Note**—This statement was effective Feb. 28.

● Rixon Electronics, Inc. (3/6-10)
Dec. 30, 1960 filed 115,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company is a custom electronics engineering and development concern engaged in the development and production of specialized electronic equipment for use in modern communications, instrumentations, data processing and other electronic systems. **Proceeds**—To repay indebtedness and for working capital. **Office** — 2414 Reedie Drive, Silver Spring, Md. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

● Roblin-Seaway Industries, Inc. (3/13-17)
Dec. 29, 1960 filed 80,000 shares of class A stock. **Price**—$6 per share. **Business**—Organized under New York law in December 1960, the company will be consolidated with, and carry on the business of Roblin, Inc., which buys and sells scrap steel and other ferrous and non-ferrous metals and Seaway Steel Corp., which operates a rolling mill producing bars, rods and other shapes of steel and nickel. The company will also have interests ranging from 50% to 76% in a demolition contractor, a lessor of demolition equipment, a stevedoring business, a metals broker and a manufacturer of rolled nickel anodes and other rolled nickel products. **Proceeds**—For general corporate purposes. **Office**—1437 Bailey Ave., Buffalo, N. Y. **Underwriter** — Brand, Grumet & Seigel, Inc., New York City (managing).

● Rochester Telephone Corp. (3/24-4/10)
Feb. 21, 1961 filed 273,437 shares of common stock (par $10) to be offered to holders of the outstanding common of record March 24 on the basis of one new share for each five shares then held. Rights expire April 10. **Price**—To be supplied by amendment. **Business**—The company is an independent telephone company serving without competition the city of Rochester and the adjacent areas. **Proceeds**—To be applied to the repayment of the company's 1960-1 borrowings from banks of about $6,000,000 for construction purposes. **Office** — Rochester, N. Y. **Underwriter**—First Boston Corp., New York City (managing).

Rocket Research Corp.
Jan. 19, 1961 filed 300,000 shares of common stock. **Price**—$2.25 per share. **Business**—The company is engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and in the preparation of proposals which have been submitted to certain governmental agencies. **Proceeds**—For general corporate purposes. **Office**—233 Holden Street, Seattle, Wash. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis, Minn.

Roulette Records, Inc.
Aug. 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The manufacture and distribution of long-playing records. **Proceeds**—For debt retirement and general corporate purposes. **Office** — 1631 Broadway, New York City. **Underwriter**—A. T. Brod & Co., New York, N. Y.

● Schluderberg-Kurdle Co., Inc. (3/6-10)
Jan. 25, 1961 filed 20,000 shares of non-voting common stock. **Price**—To be supplied by amendment. **Business**—Meat packing and related operations. **Proceeds** — For plant modernization and working capital. **Office**—3800 East Baltimore St., Baltimore, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md. (managing).

★ Seacrest Industries Corp.
Feb. 24, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—$7.50 per share. **Business**—The sale of home-freezers and refrigerator-freezer combinations, home delivery of food plans, and manufacture and sale of swimming pools. **Proceeds**—For the purchase of Westchester Foods, Inc. stock; current liabilities; building improvements; advertising, promotion and expansion and for general corporate purposes. **Office**—354 Franklin Avenue, Franklin Square, Long Island, N. Y. **Underwriters**—A. J. Gabriel Co., Inc., New York, N. Y. and Williamson Securities Corp., 92 Liberty Street, New York 6, N. Y.

Sealander, Inc. (3/6-10)
Dec. 19, 1960 (letter of notification) 150,000 shares of class A common stock (par 10 cents). **Price** — $2 per share. **Proceeds**—To start operations in manufacturing and selling boats. **Office**—2228 McElderry Street, Baltimore 5, Md. **Underwriter**—Robinette & Co., Inc., Baltimore, Md.

● Search Investments Corp.
Jan. 4, 1961 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Business**—A non-diversified closed-end investment company. **Proceeds**—For working capital and for investments. **Office**—1620 Rand Tower, Minneapolis, Minn. **Underwriter**—None.

Securities Credit Corp.
Jan. 27, 1961 filed $3,000,000 of 6% series A subordinated debentures. **Price**—100% of principal amount. **Business**—The company and its subsidiaries are engaged in the retail financing of new and used automobiles, mobile homes, appliances, furniture and farm equipment for purchasers, and the wholesale financing of dealers' inventories of such automobiles and direct lending to consumers, and the writing of automobile, credit life, and other types of insurance. **Proceeds**—For working capital. **Office**—1100 Bannock St., Denver, Colo. **Underwriter**—None.

★ Selas Corp. of America
Feb. 28, 1961 filed 170,000 shares of common stock, of which 20,000 will be offered publicly for the account of the company and 150,000, being outstanding stock, by the holders thereof. **Price**—To be filed by amendment. **Business**—The engineering, manufacture and sale of industrial gas heat processing and fluid processing equipment. **Proceeds**—The company will use the proceeds from its share of the offering for working capital. **Office**—Dresher, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

Shareholder Properties, Inc.
Dec. 2, 1960 (letter of notification) 40,000 shares of class A common stock (par $1). **Price**—$7.50 per share. **Proceeds**—For working capital. **Office**—2540 Huntington Dr., San Marino, Calif. **Underwriter** — Blalack & Co., San Marino, Calif.

● Shepherd Electronic Industries, Inc. (3/6-10)
Jan. 18, 1961 (letter of notification) 78,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—9821 Foster Avenue, Brooklyn, N. Y. **Underwriter** — D. Klapper Associates, Inc., New York, N. Y.

Sherburne Corp.
Jan. 26, 1961 (letter of notification) 200 units consisting of two shares of common stock (par 50 cents) and one 20-year 6% cumulative fully registered subordinated debenture; 200 rights. **Price**—Of units, $1,000 per unit; of rights, $62.50 per right. **Proceeds**—For working capital. **Address**—Sherburne, Vt. **Underwriter**—Kennedy-Peterson, Inc., Hartford, Conn.

Shinn Industries Inc. (3/6-10)
Nov. 29, 1960 filed 150,000 shares of common stock. **Price**—$6 per share. **Business**—The manufacture, assembly and sale of aircraft and missile components and the construction of industrial and research facilities. **Proceeds**—To repay a bank loan, for expansion and inventory, and for working capital. **Office**—Wilmington, Del. **Underwriter**—Myron A. Lomasney & Co., New York City.

● Shoup Voting Machine Corp. (3/20-24)
Jan. 27, 1961 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the assembly, manufacture, sale and

repair of voting machines and toll collection devices and auxiliary equipment. **Proceeds** — For the reduction of debt and for working capital. **Office**—41 East 42nd St., New York City. **Underwriter** — Burnham & Co., New York City (managing).

★ Sigma Instruments, Inc. (5/1-5)
Feb. 27, 1961 filed 200,000 shares of common stock (par $1), of which 78,540 are to be offered for public sale by the company and 121,460 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company, formerly The Fisher-Pierce Co., is engaged in the development, manufacture and sale of sensitive electromagnetic relays, photoelectronic street lighting controls and other electronic control devices. **Proceeds**—To repay bank loans and for working capital. **Office** — 170 Pearl St., South, Braintree, Mass. **Underwriter**—W. C. Langley & Co., New York City (managing).

• Simplex Lock Corp. (3/13-17)
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Selling a new type of security device called the Push Button Lock. **Proceeds**—For expenses of offering and to pay Scovill Manufacturing Co. for initial costs of tooling up for production. **Office**—150 Broadway, New York, N. Y. **Underwriters**—Charles Plohn & Co., and B. W. Pizzini & Co., both of New York, N. Y.

• Solite Products Corp.
Dec. 8, 1960, filed 750 units, consisting in the aggregate of $225,000 principal amount of 7% debentures due February, 1968, and 75,000 shares of common stock to be offered in units of $100 of debentures and 100 common shares. **Price** — $300 per unit. **Business** — The design, manufacture and sale of advertising signs, displays and miscellaneous plastic items. **Proceeds**—For general business purposes, including the purchase of tools, dies and equipment; for research, sales and inventory and for additional working capital. **Office**—375 East 163rd St., New York, N. Y. **Underwriter**—William David & Motti, Inc., New York City. **Offering**—Imminent.

★ Southern Bell Telephone & Telegraph Co. (3/21)
Feb. 24, 1961 this subsidiary of American Telephone & Telegraph Co., filed $70,000,000 of debentures, due March 1, 1998. **Proceeds**—To repay advances from the parent company and for general corporate purposes. **Office**—67 Edgewood Ave., S. E., Atlanta, Ga. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—To be received in Room 2315, 195 Broadway, New York City on March 21 at 11 a.m. (EST).

★ Southern California Edison Co. (4/4)
March 1, 1961 filed $30,000,000 of first and refunding mortgage bonds, series N, due 1986. **Proceeds**—To retire short-term debt and for construction. **Office**—601 West Fifth St., Los Angeles 53, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: First Boston Corp.; Dean Witter & Co.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., all of New York City. **Bids**—To be received at the company's Los Angeles office on April 4, 1961 at 8:30 a.m. (PST).

Southern States Investment & Mortgage Corp.
Feb. 8, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For advances to subsidiaries and working capital. **Office**—424 Mark Bldg., Atlanta, Ga. **Underwriter**—First Fidelity Securities Corp., Atlanta, Ga.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

Southwestern Public Service Co. (3/22)
Feb. 9, 1961 filed $15,000,000 of first mortgage bonds due 1991 and 120,000 shares of cumulative preferred stock (par $25). **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for construction. **Office** — 720 Mercantile Dallas Bldg., Dallas, Tex. **Underwriter**—Dillon, Read & Co., New York City (managing).

• Space Research & Development Corp. (3/6-10)
Feb. 14, 1961 (letter of notification) 100,000 shares of common stock. **Price**—$3 per share. **Business**—The development, manufacture and sale of electronic and mechanical test instruments used in the automotive, aircraft and missile industries. **Proceeds** — For expansion, acquisition costs, repayment of loans and for working capital. **Office**—5 North Mason St., Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City.

Stancil-Hoffman Corp.
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. **Offering**—Expected in March.

★ Standard-American Leasing Corp.
Feb. 14, 1961 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—2855 Highland Drive, Salt Lake City, Utah. **Underwriter** — E. H. Coltharp & Co., Salt Lake City, Utah.

• Standard & Shell Homes Corp.
Nov. 1, 1960 filed 210,000 shares of common stock and $350,000 of 9% subordinated sinking fund debentures, due Nov. 1, 1985, with warrants to be offered in 35,000 units consisting of six common shares, a $10 debenture, and two warrants. **Price** — $17.50 per unit. **Proceeds** — For construction, mortgage funds, and working capital. **Office**—Miami Beach, Fla. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York City, and Roman & Johnson, of Ft. Lauderdale, Fla. **Offering**—Imminent.

State Bond & Mortgage Co.
Feb. 17, 1961 filed $1,000,000 of series 205 Investment Certificates and series 305 Investment Certificates to be offered for public sale in units of $1,000 principal amount. **Business**—The company is a registered investment company engaged principally in the purchase of F. H. A. insured and V. A. guaranteed mortgages. **Proceeds** — For investment. **Office** — 28 North Minnesota Street, New Ulm, Minn. **Underwriter**—None.

• Stelma Inc. (3/13-17)
Feb. 15, 1961 filed 200,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products used in communications systems. **Proceeds** — To selling stockholders. **Office**—Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

• Storer Broadcasting Co. (3/14)
Dec. 30, 1960 filed 263,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company owns and operates five television broadcasting stations, seven radio stations, six F.M. radio broadcasting stations and a daily newspaper. The company, through a subsidiary also owns a majority of the voting stock in The Standard Tube Co., Detroit, Mich, manufacturer of steel tubing and other tubular products. **Proceeds**—To the selling stockholders. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

• Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriters**—John R. Boland & Co., New York City and Paul C. Kimball & Co. (Chicago). **Offering**—Expected in late March.

• Sunset Color Laboratories, Inc. (3/15)
Jan. 30, 1961 (letter of notification) filed 80,000 shares of common stock (par 1c). **Price**—$2.25 per share. **Business**—Photo finishing and photographic accessories and supplies. **Proceeds** — For general corporate purposes. **Office**—83 Rockaway Ave., Rockville Center, N. Y. **Underwriter**—Jacey Securities Co., 82 Beaver St., New York City, Professional Executive Planning Inc., Long Beach, N. Y. and Sunshine Securities, Inc., Rego Park, N. Y.

Superstition Mountain Enterprises, Inc.
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

"Taro-Vit" Chemical Industries Ltd.
Nov. 25, 1960 filed 2,500,000 ordinary shares. **Price**—$0.60 a share payable in cash or State of Israel Bonds. **Business** — The company produces, in Israel, a poultry food supplement, and pharmaceutical and chemical products. **Proceeds** — $750,000 for expansion; $170,000 for equipment and working capital; and $130,000 for repayment of a loan. **Office** — P. O. Box 4859, Haifa, Israel. **Underwriter**—None.

• Tassette, Inc. (3/13-17)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

★ Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago, Ill. **Sponsor**—John Nuveen & Co., Chicago, Ill.

• Tech-Ohm Electronics, Inc. (3/6-10)
Sept. 6, 1960 (letter of notification) 99,833 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 36-11 33rd Street, Long Island City, N. Y. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y.

• Techmation Corp. (3/6-10)
Jan. 17, 1961 (letter of notification) 87,500 common shares (par one cent). **Price** — $2 per share. **Business**—The company designs and develops automation machinery through systems of "hoppers," "feeders," and other design innovations for the manufacture of industrial, cosmetic, toy, plastics and other products. The company proposes to adapt its oriented feeding devices to miniature and sub-miniature electronic components manufacture. **Proceeds**—To develop a proprietary line of automatic machinery products, for working capital, to fill orders, for oriented seeding and automation machinery, and for patent applications and the prosecution thereof. **Office**—19-79 Steinway St., Long Island City, New York. **Underwriter**—First Philadelphia Corp., New York City.

★ Tel-A-Sign, Inc.
Feb. 27, 1961 filed 75,000 outstanding shares of common stock to be offered for public sale from time to time on the American Stock Exchange by the holder thereof and 200,000 common shares which underlie an option owned by Pantex Manufacturing (Canada), Ltd., which the latter company plans to offer for subscription by its stockholders. **Price** — To be supplied by amendment. **Business**—The manufacture and sale of illuminated and non-illuminated signs and other advertising material. **Proceeds** — For working capital. **Office** — 3401 N. 47th Street, Chicago, Ill. **Underwriters**—To be named.

• Tele-Graphic Electronics Corp.
Dec. 16, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Patent holding, development, and manufacture of its patentable products in the fields of air conditioning, air pollution control, electronics and plastics. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Ave., West Hempstead, N. Y. **Underwriter** — Lee Hollingsworth, 514 Hempstead Ave., West Hempstead, N. Y. **Offering**—Expected sometime in March.

• Telephone & Electronics Corp. (3/7)
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents) to be offered to stockholders of record March 7 on the basis of 3 new shares for each 5 shares then held, with rights to expire on March 22. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business** — Electronic communications equipment and automatic, loudspeaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, New York.

• Tensor Electric Development Co., Inc. (3/6-10)
Jan. 5, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture and sale of electronic components and instruments. **Proceeds**—For general corporate purposes. **Office**—1873 Eastern Parkway, Brooklyn, N. Y. **Underwriters**—Dresner Co., Michael & Co. (managing), and Satnick & Co., Inc., all of New York City.

★ Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office** — Long Island City, L. I., N. Y. **Underwriter**—(For the company's shares only) Greenfield & Co., Inc., New York City.

★ Terryphone Corp.
Feb. 24, 1961 filed 200,000 shares of common stock (par 5 cents), of which 80,000 are to be offered for public sale by the company and 120,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company manufactures, leases, sells and services a line of internal communications systems for use in business and industry. **Proceeds**—For working capital and expansion. **Office**—4409 Carlisle Pike, Camp Hill, Pa. **Underwriters**—Stroud & Co., Philadelphia, Pa., and Warren W. York & Co., Allentown, Pa. (managing).

• Thermo Dynamics, Inc. (3/15)
Dec. 27, 1960 filed 315,089 common shares of which 285,000 shares will be offered for the account of the company and 30,089 shares, representing outstanding stock, are to be offered by two officers of the company. **Price**—$3.50 per share. **Business**—Formerly known as Agricultural Equipment Corp., this company distributes German made Stihl chain saws and Stihl "Go-Kart" gasoline engines; U. S. made tractor attachments and power saws; makes cryogenic gas reclamation and transferral systems, L-P gas thermo-shock weed control devices, portable furnaces, etc. **Proceeds**—For the repayment of debts, for expansion and for working capital. **Office**—1366 W. Oxford Avenue, Englewood, Colo. **Underwriter**—Lowell, Murphy & Co., Inc., Denver, Colo.

Thermogas Co. (3/20-24)
Jan. 30, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is a distributor of propane and tanks and accessories for the storage and handling of propane gas. **Proceeds**—To repay loans, purchase additional distribution plants and for working capital. **Office**—4509 East 14th St., Des Moines, Iowa. **Underwriter**—A. C. Allyn & Co., Chicago (managing).

★ Thrift Courts of America, Inc.
Feb. 28, 1961 filed $800,000 of 10-year 8% convertible subordinated debentures, 100,000 shares of common stock and 50,000 warrants to purchase a like number of common shares, to be offered in units of $400 of debentures, 50 common shares, and 25 warrants. **Price** — $800 per unit. **Proceeds**—To repay bank loans, provide funds for the issuer's subsidiary, and add to working capital. **Office**—Elkhart, Ind. **Underwriter**—Myron A. Lomasney & Co., New York City (managing).

Time Finance Corp.
Dec. 30, 1960 registered $1,000,000 of 6% convertible subordinated debentures due Jan. 1, 1976 and 150,000

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underlying common shares. **Price**—At 100% of principal amount. The debentures will be convertible at prices ranging from $7.50 per share in January 1961 to $15 per share in January 1970. **Proceeds**—$96,560 to increase volume of accounts receivable financing; $24,145 to increase volume of direct industrial loans and dealer contracts; $24,145 to increase volume of small loans; and $700,000 for the reduction of notes payable. **Office**—Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

Toledo Plaza Investment Trust
Dec. 8, 1960, filed 209 Beneficial Trust Certificates in The Toledo Plaza Investment Trust. **Price**—$2,500 each. **Business** — The company will purchase an apartment project of not less than 242 units on 10 acre site in Prince Georges County, Md. **Proceeds**—To purchase the above-mentioned apartment project. **Office**—2215 Washington Ave., Silver Spring, Md. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C. **Offering** — Expected in late March.

Totts Pharmacal Corp.
Feb. 1, 1961 filed 125,000 shares of common stock. **Price**—$4 per share. **Business** — The company was organized under Delaware law in September 1960 to acquire the business and properties of Lucente Enterprises, Inc., which manufactures and distributes a dentifrice under the name of "Orbit Dental Cream" in a novel plastic container with primary appeal to the children's market. **Proceeds**—For new equipment, the repayment of loans and working capital. **Office** — 3757 Mahoning Avenue, Youngstown, O. **Underwriter** — International Services Corp., 7 Church St., Paterson, N. J.

United International Fund Ltd.
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering** — Expected in mid-to-late March.

U. S. Components, Inc.
Feb. 9, 1961 (letter of notification)) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — Manufacturer of precision electronic connectors and related assembly devices. **Proceeds**—For repayment of loans payable, payment of accounts payable, additional machinery and equipment, tooling, advertising, research and development and working capital. **Office**—1320 Zenega Ave., New York 62, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York, N. Y. **Offering**—Expected in early April.

● **U. S. Mfg. & Galvanizing Corp.**
Jan. 3, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To reduce current liabilities, sales promotion, purchase inventory, and for working capital. **Office**—5165 E. 11th Avenue, Hialeah, Fla. **Underwriter**—Armstrong Corp., 15 William St., New York, N. Y.

● **United Telecontrol Electronics, Inc.**
Dec. 8, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturing components designed for use in connection with telephone and telegraph communication equipment on a prime contract basis. **Proceeds** — For general corporate purposes, including working capital. **Office**—Monmouth County Airport, Wall Township, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York, New York. **Offering**—Imminent.

★ **Universal Container Corp.**
Feb. 28, 1961 filed $1,000,000 of convertible subordinated debentures, due 1971. **Price** — To be supplied by amendment. **Proceeds** — To retire bank indebtedness, with the balance for working capital and general corporate purposes. **Office**—Louisville, Ky. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

Urban Development Corp.
Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter**—Union Securities Investment Co., Memphis, Tenn.

● **Van Dusen Aircraft Supplies, Inc. (3/13-17)**
Jan. 16, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion. **Office**—Minneapolis, Minn. **Underwriter**—Stroud & Co., Philadelphia, Pa.

Virginia Telephone & Telegraph Co.
Feb. 10, 1961 (letter of notification) 7,414 shares of common stock (par $10). **Price**—$19 per share. **Proceeds**—For a construction plan for 1961. **Office**—417 W. Main St., Charlottesville, Va. **Underwriters**—Francis I. du Pont & Co., Lynchburg, Va. and C. F. Cassell & Co., Inc., Charlottesville, Va.

Visual Dynamics Corp.
Jan. 12, 1961 (letter of notification) 100,000 shares of common stock (par five cents). **Price**—$3 per share. **Business**—Manufacturers of an audio-visual device for educational and entertainment purposes. **Proceeds**—For general corporate purposes. **Office**—42 S. 15th Street, Suite 204, Philadelphia, Pa. **Underwriter**—District Securities, 2520 L Street, N. W., Washington, D. C.

Weinschel Engineering Co., Inc.
Jan. 27, 1961 filed 50,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is engaged in research, and the development, engineering, production and sale of high quality precision microwave calibration and testing equipment. **Proceeds**—To repay loans and for working capital. **Office** — 10503 Metropolitan Ave., Kensington, Md. **Underwriter**—Alex. Brown & Sons, Baltimore, Md.

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● **Whippany Paper Board Co., Inc. (3/6-10)**
Dec. 28, 1960 filed 250,000 shares of common stock (par 10c). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of container liner board, corrugated board, chip board and box board. **Proceeds**—For plant conversion and working capital. **Office**—10 North Jefferson Road, Whippany, N. J. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

★ **White Shield Corp.**
Feb. 23, 1961 filed 50,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—The sale of health and beauty aids, vitamins and drug sundries to retail stores and wholesale jobbers. **Proceeds**—For working capital. **Office** — 317 East 34th St., New York City. **Underwriter**—Adams & Peck, New York City.

Willer Color Television System, Inc.
Jan. 29, 1961 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City. **Offering**—Indefinite.

Wilshire Insurance Co.
Feb. 17, 1961 filed 313,000 shares of common stock, of which 187,000 will be offered for subscription to stockholders on a share for share basis and the remaining 126,000 shares, together with any of the 187,000 shares not purchased by stockholders, to be offered publicly. **Price**—$5 per share to stockholders and $5.50 per share to the public. **Business**—The writing of workmen's compensation, common carrier liability and automobile (physical damage) insurance. **Proceeds** — To increase capital funds to provide for the writing of additional policies in all lines of its business and to expand its coverage into other classes of insurance. **Office**—5413 West Washington Boulevard, Los Angeles, Calif. **Underwriter**—None.

● **Wilson (Lee) Engineering Co., Inc. (3/6-10)**
Dec. 30, 1960 filed 67,500 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The company produces equipment for treating flat rolled steel and wire in a variety of ways, including chemical change through gas alloying and physical change through thermal treating. **Proceeds**—For the selling stockholder. **Office**—20005 Lake Road, Rocky Road, O. **Underwriter**—Prescott, Shepard & Co., Inc., Cleveland.

Winston-Muss Corp.
Jan. 30, 1961 filed $9,000,000 of convertible subordinated debentures due 1981 and 400,000 shares of common stock to be offered for public sale in units consisting of $22.50 principal amount of debentures and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized under Delaware law in January 1961 to engage in the conception, planning and execution of large scale property development and construction projects throughout the U. S. **Proceeds**—For the acquisition and development of real estate properties. **Office**—22 West 48th St., New York City. **Underwriter**—Lee Higginson Corp., New York City (managing). **Offering**—Expected in late March.

Winter Park Telephone Co.
Feb. 13, 1961 filed 33,638 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each three shares held, with the unsubscribed stock to be publicly offered by the company. **Price** — To be supplied by amendment. **Proceeds** — For plant and equipment, with the balance for general corporate purposes. **Office** — 132 East New England Ave., Winter Park, Fla. **Underwriter**—None.

Wolf Corp.
Feb. 15, 1961 filed 30,000 shares of class A stock. **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation of real estate properties. **Proceeds**—For investment and working capital. **Office** — 10 East 40th St., New York City. **Underwriter**—None.

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

● **Wyle Laboratories (3/7-8)**
Jan. 17, 1961 filed 110,000 shares of common stock, of which 100,000 shares will be offered for the account of the issuing company and 10,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder. **Price** — To be supplied by amendment. **Business** — This firm, which up to now has been privately held, believes it is the largest independent laboratory in America providing testing services for the missle-space-aircraft industry. **Proceeds** — For expansion, with the balance for working capital. **Office**—128 Maryland St., El Segundo, Calif. **Underwriters**—Kidder, Peabody & Co., New York City, and Mitchum, Jones & Templeton, Los Angeles (managing).

Prospective Offerings

Advance Industries Corp.
Jan. 25, 1961 it was reported that a "Reg. A" filing covering 100,000 shares of the company's 10 cent par common stock is expected by late March. **Price** — $3 per share. **Business**—Manufacturer of furniture. **Proceeds**—For equipment and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—Allen, McFarland & Co., Washington, D. C.

★ **Airwork Corp.**
March 1, 1961 it was reported that this company plans the sale of about $1,500,000 of debentures. **Business**—The company is engaged in overhauling aircraft engines, instruments and accessories; also sells aircraft engines, instruments and electronic equipment. **Office**—Millville, N. J. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C.

Alamo Gas Supply Co.
Jan. 24, 1961 it was reported that this company is negotiating for the sale of about $18,000,000 to $20,000,000 of bonds. **Proceeds**—For expansion of facilities. **Office**—San Antonio, Tex. **Underwriters** — White, Weld & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston, Tex.

Alberta Gas Trunk Line Co., Ltd.
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. Office—502-2nd St., S. W., Calgary, Alberta, Canada.

American Investment Co.
Nov. 3, 1960, Donald L. Barnes, Jr., executive vice-president, announced that debt financing is expected in early 1961 in the form of about $6,000,000 of capital notes and $4,000,000 to $6,000,000 of subordinated notes. **Office**—St. Louis, Mo.

● **American Playlands Corp.**
Dec. 21, 1960 it was reported that this company plans to refile a registration statement covering 300,000 shares of common stock. This will be a full filing. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**— M. W. Janis & Co., Inc., New York City. **Registration**—Expected in late March.

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Approved Finance Inc.
Nov. 11, 1960 it was reported by Paul O. Sebastian, Vice-President-Treasurer, that the company is considering a rights offering to stockholders of additional common stock via a Regulation "A" filing, possibly to occur in mid-1961. **Office**—39 E. Chestnut St., Columbus, Ohio **Underwriter**—Vercoe & Co., Columbus, Ohio.

Arizona Public Service Co.
Feb. 8, 1961 it was reported that this company plans to issue about $38,000,000 of bonds in May and some preferred or common stocks in the fourth quarter. The company expects to spend about $320,000,000 on construction in the period 1961 to 1965 of which some $250,000,000 will come from outside sources. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be determined. The last sale of bonds was made privately on March 26, 1959 through Blyth & Co., Inc., and The First Boston Corp. The last sale of preferred stock on June 18, 1958 and the last sale of common (to stockholders on May 24, 1959) was also handled by Blyth & Co. and The First Boston Corp.

Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities plans the issuance of approximately $12,000,000 of 30-year first mortgage bonds, some time in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Baltimore Gas & Electric Co.
Feb. 21, 1961, F. E. Rugemer, Treasurer, stated that the company is considering the issuance of $15,000,000 to $20,000,000 of non-convertible debentures or preferred stock in the second quarter of 1961 and about $20,000,000 of bonds in late 1961 or early 1962. **Office**—Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters** — (Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and First Boston Corp. (jointly); Harriman Ripley & Co., Inc. and Alex. Brown & Sons (jointly). The last

sale of debentures was made to stockholders on May 8, 1959 through subscription rights and was underwritten by First Boston Corp., and associates. The last sale of preferred stock on Aug. 13, 1940 was handled by White, Weld & Co., and associates.

★ Bell Telephone Co. of Pennsylvania (5/2)
Feb. 23, 1961 it was reported that this subsidiary of American Telephone & Telegraph Co., plans to sell $50,000,000 of debentures. **Proceeds**—To refund $30,000,000 of 5⅜% debentures due 1994 on or about June 2, and for construction. **Office**—1835 Arch St., Philadelphia 3, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co., and Eastman Dillon, Union Securities & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received on or about May 2, 1961.

● Bo-Craft Enterprises Inc.
Nov. 18, 1960 it was reported that a letter of notification consisting of 100,000 shares of 10 cent par common stock will be filed for this company. **Price**—$3 per share. **Business**—The company is engaged in the manufacture of parts for zippers. **Proceeds**—For expansion and general corporate purposes. **Office**—11-54 44th Drive, Long Island City, N. Y.

Brooklyn Union Gas Co.
Jan. 12, 1961 G. C. Griswold, Vice-President and Treasurer stated that company has not made definite financing plans but is considering an issue of $25,000,000 to $30,000,000 of mortgage bonds in late 1961. **Office**—176 Remsen St., Brooklyn 1, N. Y.

California Asbestos Corp.
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif. **Registration**—Indefinite.

California Electric Power Co.
Jan. 18, 1961 it was reported that this company's plans to offer $8,000,000 of bonds will be governed more by the conditions of the money market than by the company's early need for long-term financing. With its 1961 construction program tentatively scheduled at $20,000,000, the company can wait at least until fall before it needs financing. **Proceeds** — For construction. **Office**—2885 Foothill Boulevard, San Bernardino, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.

● Carbonic Equipment Corp.
Dec. 8, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co., Inc.

● Car Plan System, Inc.
Feb. 1, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 shares of common stock (par 10 cents). **Price** — $3 per share. **Business**—Automobile leasing. **Proceeds**—For expansion. **Office**—540 N. W. 79th St., Miami, Fla. **Underwriter**—R. F. Dowd & Co., Inc., New York City. **Registration**—Expected about March 15.

● Casavan Industries
Feb. 1, 1961 it was reported by Mr. Casavena, President, that registration is expected of approximately $10,000,000 of common stock and $11,750,000 of 6% debentures. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds** — For expansion. **Office** — 250 Vreeland Ave., Paterson, N. J. **Underwriter** — To be named. **Registration**—Imminent.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Hudson Gas & Electric Co.
Feb. 2, 1961 it was reported that the company is considering the sale of $5,000,000 to $7,000,000 of preferred stock in the second quarter. **Proceeds**—For expansion. **Office**—South Road, Poughkeepsie, N. Y. **Underwriter**—To be named. The last public sale of preferred in April 1949 was made through Kidder, Peabody & Co., and Estabrook & Co. (jointly).

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

Charles Of The Ritz
Jan. 18, 1961 it was reported that this company plans a public offering of common stock. This will be a full filing, registered secondary. **Business**—Operates a chain of beauty salons. **Office**—11 E. 58th Street, New York City. **Underwriter**—White, Weld & Co., New York City (managing). **Registration**—Expected in early March.

● Chroma-Glo, Inc.
Feb. 14, 1961 it was reported that this company plans to file a "Reg. A" covering 90,000 shares of common stock (par 50 cents). **Price**—$3.30 per share. **Business**—Manufactures pressure sensitive emblems for industry. **Proceeds**—For expansion. **Office**—525 South Lake Ave., Duluth 2, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn. **Registration**—Expected in early March.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourth & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc.
Feb. 1, 1961 it was reported that this company plans to sell about $30,000,000 of debentures in May or June and about $25,000,000 of debentures in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly).

Columbus & Southern Ohio Electric Co.
Sept. 22, 1960 it was reported the company will sell about $10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co

Commonwealth Edison Co.
Jan. 10, 1961 it was reported that this company plans to sell $30,000,000 of bonds in the second quarter of 1961. **Office**—72 W. Adams Street, Chicago, Ill. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Community Public Service Co.
Feb. 6, 1961 it was reported that this company plans to sell $5,000,000 of first mortgage bonds. **Office**—408 W. 7th Street, Fort Worth 2, Texas. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; First Southwest Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Offering**—Expected in May.

Consolidated Edison Co. of New York, Inc.
Jan. 27, 1961 it was reported that this company plans to sell about $75,000,000 of mortgage bonds in the fall. **Office**—4 Irving Place, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.

Consolidated Natural Gas Co.
Jan. 31, 1961 it was reported that this company expects to sell about $25,000,000 of debentures later in 1961. **Business**—A holding company for six operating concerns engaged in the natural gas business. **Proceeds**—For construction. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp. (jointly); White, Weld & Co., and Paine, Webber, Jackson & Curtis (jointly).

Consumers Power Co.
Feb. 15, 1961 it was reported that this company may sell $20,000,000 of preferred and $30,000,000 of bonds about mid-year. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. The last sale of preferred stock, on July 21, 1955, was handled by Morgan Stanley & Co.

● Continental Industries, Inc.
Feb. 21, 1961 it was reported that the company is negotiating for the sale of $5,000,000 of convertible debentures. On Feb. 28 stockholders voted to increase the authorized common to provide for the debenture issue and to change corporate name to Continental Vending Machine Corp. **Business** — The company manufactures and operates automatic vending machines dispensing cigarettes, coffee, cold drinks and food. **Office** — 956 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—It was stated that exploratory discussions have been held with Shields & Co., New York City.

Daffin Corp.
Jan. 20, 1961, it was reported that a registration is expected to be filed covering 150,000 outstanding shares of common stock (no par). **Price** — To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To the selling stockholders. **Office**—121 Washington Ave., South, Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

Dakota Reinsurance Corp.
Nov. 28, 1960 it was reported by Walter H. Johnson, President, that the company plans its first public offering of an as yet undetermined amount of its $1 par common stock. **Business**—The company will enter the field of reinsurance on a multiple line basis. **Office** — P. O. Box 669, Yankton South Dakota. **Underwriter**—Mr. Johnson states that the company is actively seeking an underwriter.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Delaware Power & Light Co.
Feb. 7, 1961 it was reported that the company has postponed until early 1962 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Sept. 30, 1960, the sale would involve about 418,536 shares valued at about $14,600,000. The last offering of common to stockholders in June, 1956, consisted of 232,520 shares offered at $35 a share to holders of record June 6, on the basis of one share for each eight shares held. **Proceeds**—For construction. **Office**—600 Market Street, Wilmington, Del. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., New York; W. C. Langley & Co., and Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co., and Shields & Co. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Diversified Automated Sales Corp.
Nov. 16, 1960 it was reported by Frazier N. James, President, that a "substantial" issue of common stock, constituting the firm's first public offering, is under discussion. **Business** — The company makes a film and flashbulb vending machine called DASCO, which will sell as many as 18 products of various sizes and prices, and will also accept exposed film for processing. **Office**—223 8th Ave., South, Nashville, Tenn. **Underwriter**—Negotiations are in progress with several major underwriters.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office** — Norcross, Ga. **Underwriter**—To be named.

★ Eastern Lime Corp.
March 1, 1961, it was reported that this company plans to sell about $800,000 of 15-year convertible debentures. **Business**—The company produces chemical grade limestone for cement plants, crushed stone and black top for road building. **Office** — Kutztown, Pa. **Underwriters**—Stroud & Co., Philadelphia and Warren W. York & Co., Allentown, Pa.

Elk Roofing Co.
Jan. 6, 1961 it was reported that this company plans a full filing of 135,000 shares of common stock. **Proceeds**—To reduce long-term debt. **Office** — Stephens, Ark. **Underwriter**—S. D. Fuller & Co.

Epoderm Inc.
Jan. 27, 1961 it was reported that the company plans its first public offering of 40,000 shares of common stock. **Price** — $10 per share. **Business** — The manufacture of drugs. **Proceeds**—The research and synthesis of certain hormones that may be helpful in revitalizing dormant hair growth. **Office**—New Jersey. **Underwriter**—M. H. Meyerson & Co., Ltd., 15 William St., New York City (managing). **Registration**—Imminent.

Exploit Films, Inc.
Feb. 1, 1961 it was reported that the company will file a letter of notification consisting of 100,000 shares of common stock at $5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th St., New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing). **Registration**—Expected on or about March 15.

Fawcett Publications, Inc.
Jan. 20, 1961 it was reported that this family-owned publishing business is contemplating its first public offering. **Office**—Greenwich, Conn. **Underwriter**—To be named.

First Continental Real Estate Trust
Jan. 6, 1961 it was reported that this company plans to file, at some future date, an SEC registration statement covering 1,500,000 trust shares to be offered for public sale. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—105 West Adams Street, Chicago 3, Ill.

★ First National Bank of Toms River (N. J.)
Feb. 27, 1961 it was reported that stockholders are to vote March 22, on increasing the authorized stock to provide for the payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire about Aug. 17. **Price**—$22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Flintkote Co.
Feb. 7, 1961 it was reported that stockholders are to vote March 22 on authorizing the company to increase its funded debt to $50,000,000. If approved, the company

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plans to borrow $30,000,000 this year, possibly through sale of debentures. **Business**—The company is engaged directly or through subsidiaries in manufacturing, mining, distributing, and selling various products for construction, industrial, and consumer use. **Proceeds**—For construction. **Office**—30 Rockefeller Plaza, New York 20, N. Y. **Underwriter**—To be named. The last sale of debentures on April 3, 1957 was handled by Lehman Bros., New York and associates.

Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit. Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering. **Office**—577 East 156th Street, Bronx, N. Y.

★ **General Sales Corp.**
Feb. 28, 1961 it was reported that "Reg. A" filing will be made shortly covering 120,000 shares of common stock (par $1). **Price**—$2 per share. **Business**—The company operates two "members only" discount merchandising centers at Portland and Salem, Ore. **Proceeds**—For working capital, inventories and additional facilities. **Office**—1105 Northeast Broadway, Portland, Ore. **Underwriter**—Joseph Nadler & Co., Inc., 41 E. 42nd Street, New York, N. Y.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in the first half of 1961. Subsequently, it was announced by the company that it plans to sell $10,000,000 of preferred in April, without underwriting. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

● **General Telephone Co. of Florida**
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

● **Georgia Bonded Fibers, Inc.**
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City. **Registration**—Expected in late March.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Geriatrics Pharmaceutical Corp.
Jan. 11, 1961 it was reported that this firm is planning a letter of notification covering 50,000 shares of 10¢ par common stock. **Proceeds**—For general corporate purposes, including the hiring of additional detail men. **Office**—45 Commonwealth Boulevard, Bellerose, L. I., N. Y. **Underwriter**—T. M. Kirsch & Co., 52 Wall Street, New York City. **Registration**—Imminent.

Goshen Farms Inc.
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected in early March.

Grosset & Dunlap, Inc.
Jan. 23, 1961 it was reported that this firm is contemplating its first offering of common stock. **Business**—This is a publishing firm owned by Little Brown, Harper's, Random House, and Book Of The Month Club, with the last-named firm owning the largest interest. The prospective issuer owns Treasure Books, Wonder Books, and Bantam Books jointly with Curtis Publishing Co. **Office**—1107 Broadway, New York City. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Guaranty National Insurance Co.
Jan. 25, 1960 it was reported that the company plans a Regulation "A" filing of 120,000 shares of common stock. **Price**—$2.50 per share. **Business**—Fire and casualty insurance. **Proceeds**—General corporate purposes. **Underwriter**—Copley & Co., Colorado Springs, Colo. **Registration**—Expected in early March.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Heath (D. C.) & Co.
Feb. 8, 1961 it was reported that registration is expected in March for an undetermined number of common shares (par $100), of which part would be offered for the account of the company and part for selling stockholders. **Business**—Publishes and sells textbooks for schools and colleges. **Office**—285 Columbus Avenue, Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York City.

★ **Houston Fearless Corp.**
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the third quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug 25, 1960, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Industrial Control Products, Inc.
Jan. 24, 1961 it was reported that the company plans to file 165,000 shares of 10¢ par class A stock. **Price**—$3 per share. **Business**—The design and manufacture of control systems and subcontracted precision machining. The firm has recently begun to make double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. **Proceeds**—For expenses of semiconductor production, research and development, advertising and selling, inventory, and general funds. **Office**—78 Clinton Road, Caldwell Township, N. J. **Underwriter**—Edward Hindley & Co., 99 Wall Street, New York 5, N. Y. (managing).

● **Industrial Gauge & Instrument Co.**
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc. **Registration**—Expected about March 15.

Interstate Power Co.
Feb. 6, 1961 it was reported that this company plans to sell $9,000,000 of bonds and 200,000 shares of common stock in May. **Office** — 1000 Main Street, Dubuque, Iowa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Salomon Bros. & Hutzler.

Iowa-Illinois Gas & Electric Co.
Feb. 7, 1961 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to sell $10,000,000 to $15,000,000 of first mortgage bonds in the second quarter of 1961. The 1961 construction program is estimated at $18,000,000. **Proceeds** — To repay bank loans and for construction. **Office** — 206 E. 2nd St., Davenport, Iowa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; First Boston Corp.; Glore, Forgan & Co. and Lehman Brothers (jointly); White, Weld & Co. and Blyth & Co., Inc. (jointly).

Japan Telephone & Telegraph Corp.
Oct. 27, 1960 it was announced that this government-owned business plans a $20,000,000 bond issue in the United States. **Proceeds**—For expansion. **Underwriters**—Dillon, Read & Co., First Boston Corp., and Kidder, Peabody & Co. **Offering**—Expected in the Spring of 1961.

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

Lanvin Parfums, Inc.
Jan. 24, 1961 it was reported that this perfume firm is contemplating its first public financing, to consist of an issue of about $6,000,000 of common stock. **Office**—767 Fifth Avenue, New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

La Salle National Bank (Chicago, Ill.)
Feb. 10, 1961 it was reported that stockholders are to vote March 2 on increasing authorized stock from 135,000 to 165,000 shares (par $25) to provide for a 11.1% stock dividend and sale of 15,000 shares to stockholders on the basis of one new share for each 10 shares held, after payment of the stock dividend. **Price** — $75 per share. **Proceeds**—To increase capital. **Office**—135 So. La Salle St., Chicago 3, Ill. **Underwriter**—Bacon, Whipple & Co. (managing) and McCormick & Co., both of Chicago, Ill.

Long Island Lighting Co.
Jan. 25, 1961 it was reported by Fred C. Eggerstedt, Jr., Assistant Vice-President, that the utility contemplates the issuance of $25,000,000 of 30-year first mortgage bonds probably in the second or third quarter of 1961. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

Louisville & Nashville RR. (3/7)
Jan. 24, 1961 it was reported that this company plans to to sell about $7,785,000 of equipment trust certificates due March 15, 1962-76. **Proceeds** — To buy additional freight cars. **Offices**—9th Street and Broadway, Louisville 1, Ky., and 71 Broadway, New York, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Salomon Bros. & Hutzler and Halsey, Stuart & Co. Inc. **Bids**—To be received on March 7 at noon (EST).

Macrose Lumber & Trim Co., Inc.
Dec. 20, 1960, it was reported that this company plans a public offering of about 500,000 common shares (par $1) in early 1961. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y.

Magnefax Co.
Feb. 21, 1961 it was reported that this company expects to sell 200,000 shares of common stock. **Business**—Manufactures office copying machines. **Office** — Commercial Trust Co. Bldg., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia, Pa. **Registration**—Expected in early March.

Martin Paint & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Avenue, Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City, N. Y.

Massachusetts Electric Co.
Jan. 24, 1961 it was reported that the SEC has approved the merger of six subsidiaries of New England Electric System into Worcester County Electric Co., also a subsidiary. Latter will change its corporate name to Massachusetts Electric Co., and issue about $17,500,000 of first mortgage bonds due 1991. **Offices**—939 Southbridge St., Worcester, Mass., and 441 Stuart St., Boston, Mass. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and Coffin & Burr, Inc. **Offering**—Expected in May.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Boulevard, Los Angeles 45, Calif.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Michigan Consolidated Gas Co.
Jan. 11, 1961 it was reported that this company plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds**—To repay notes and for construction. **Office**—415 Clifford St., Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: White, Weld & Co.; Lehman Brothers; and Halsey, Stuart & Co. Inc.

Michigan Wisconsin Pipe Line Co.
Jan. 10, 1961 it was reported that this subsidiary of American Natural Gas Co., plans to sell about $30,000,000 of bonds in the first half of 1961. **Proceeds** — For construction. **Office** — 500 Griswold Street, Detroit 26, Mich. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

Mississippi Business & Industrial Development Corp.
Nov. 28, 1960 it was reported that the company will issue $1,000,000 of $10 par common stock, of which $500,000 will be subscribed for by utility companies and $500,000 will be sold to business and industry and the general public. **Business**—To assist via loans, investments, and other business transactions, in the location and expansion of businesses in Mississippi.

Mississippi Power Co. (9/28)
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Sept. 28.

● **Monroe Mortgage & Investment Corp.**
Dec. 12, 1960, Cecil Carbonell, Chairman, announced that this company is preparing a "Reg. A" filing covering 150,000 shares of common stock. **Price** — $2 per share. **Business**—The company is engaged in first mortgage financing of residential and business properties in the Florida Keys. **Proceeds**—To expand company's business. **Office**—700 Duval Street, Key West, Fla. **Underwriter**—None.

Montana-Dakota Utilities Co.
Feb. 6, 1961 it was reported that this company is negotiating for the sale of $5,000,000 of preferred stock ($100 par). **Proceeds**—$3,000,000 will be used to repay bank loans and $2,000,000 will be added to working capital. **Office** — 831 Second Ave., South, Minneapolis, Minn. **Underwriter** — A previous preferred issue was underwritten on negotiated basis by Blyth & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Monticello Lumber & Mfg. Co.
Jan. 3, 1961 it was reported that this company plans a "Reg. A" filing covering 75,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For equipment, plant expansion and working capital. **Office**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., 117 Liberty St., New York City. **Registration**—Expected shortly.

New England Power Co.
Jan 24, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Offering**—Expected in October.

★ **New England Telephone & Telegraph Co. (4/11)**
Feb. 21, 1961 this subsidiary of American Telephone & Telegraph Co., announced plans to sell $45,000,000 of 38-year debentures. **Proceeds**—To redeem on or about May 12, outstanding 5¾% debentures due Sept. 1, 1994 in the same amount. **Office** — 185 Franklin St., Boston 7, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Offering**—Expected on or about April 11.

★ **New England Telephone & Telegraph Co. (4/25)**
Feb. 21, 1961 this subsidiary of American Telephone & Telegraph Co., announced plans to sell additional common stock to stockholders through subscription rights on the basis of one new share for each seven shares held of record April 25. Based on the 22,047,305 shares outstanding on Dec. 31, 1960 this would amount to about 3,150,000 common shares. **Proceeds**—To repay short term loans and to pay at maturity $40,000,000 of 4½% first mortgage bonds due May 1, 1961. **Office**—185 Franklin St., Boston 7, Mass. **Underwriter**—None.

New Orleans Public Service, Inc. (5/25)
Nov. 10, 1960 it was reported that an issue of $15,000,000 of first mortgage bonds is expected in May, 1961. **Office**—317 Baronne St., New Orleans, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lee Higginson Corp., Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); White, Weld & Co.; Salomon Brothers & Hutzler. **Offering** — Expected May 25.

Northern Fibre Glass Co.
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

Northern Illinois Gas Co.
Feb. 8, 1961 it was reported that this company plans to raise about $25,000,000 of new money in 1961. The type of security to be sold has not been determined but it is thought that it might be common stock which would be sold in the late Spring to stockholders through subscription rights. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—To be named. The last rights offering in April 1954 was underwritten by First Boston Corp., and Glore, Forgan & Co., both of New York City.

Northern States Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $20,000,000 of bonds in the third quarter of 1961. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co., Inc. (jointly). **Offering**—Expected in August.

Orange & Rockland Utilities, Inc. (4/20)
Jan. 6, 1961 it was reported that this company plans to sell $12,000,000 of first mortgage bonds, series G, due April 15, 1991. **Proceeds**—For redemption of $6,442,000 of first mortgage bonds, series B, due May 1, 1961; for repayment of bank loans and for construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriters**—To be determined by competitive bidding. Previous bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; W. C. Langley & Co., Glore, Forgan & Co. (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc., Eastman Dillon, Union Securities & Co., Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 20. **Information Meeting**—Scheduled for 11 a.m. (EST) April 13 at Bankers Trust Co., 16 Wall St., New York City.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $30,000,000 to $50,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California Street, San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
Jan. 30, 1961 it was reported that this company, controlled by American Tel. & Tel. Co., plans to form a new subsidiary to operate in Washington, Oregon and Idaho. The new concern will acquire the business and properties of the present operating division, known as Pacific Telephone-Northwest, established in February 1960. All of the stock of the new company will be issued to Pacific Telephone, but "as soon as practicable" it will be offered for sale to Pacific Telephone shareholders at a price to be fixed by the Board of Directors. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A T & T, which owns over 90% of the outstanding stock, exercised its rights to subscribe to its prorata share of the offering.

Panhandle Eastern Pipe Line Co.
Feb. 6, 1961 it was reported that $65,000,000 of debentures are expected to be offered about mid-1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Pennsylvania Electric Co.
Jan. 24, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year first mortgage bonds and $12,000,000 of debentures. **Office** — 222 Levergood St., Johnstown, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley & Co. (jointly); First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co.; Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. **Offering**—Expected in May or June.

Pennsylvania Power Co.
Dec. 14, 1960, it was reported that this company has applied to the SEC for an order under the Holding Company Act, authorizing the issuance of $878,000 of first mortgage bonds, 3¼% series, due 1982. **Proceeds**—For sinking fund purposes. **Office** — 19 E. Washington St., New Castle, Pa. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co.; Equitable Securities Corp., and Shields & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly).

Peoples Gas Light & Coke Co.
Jan. 10, 1961 it was reported that this company plans to sell about $35,000,000 of first mortgage bonds in 1961. **Proceeds**—To retire maturing bonds and for construction. **Office**—122 So. Michigan Avenue, Chicago 3, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; First Boston Corp.

Power Chem Industries
Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The company is in the process of organizing and will manufacture additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office** — 645 Forrest Ave., Staten Island, N. Y. **Underwriter** — Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y. **Registration**—Indefinite.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in mid-1961. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter** — Last equity financing handled on a negotiated basis by First Boston Corp.

● **Public Service Electric & Gas Co.**
Feb. 23, 1961 it was reported that this utility expects to sell about $100,000,000 of new securities this year. It was stated that since the equity position of the company is low, the financing will probably include either common or preferred stocks. **Office**—80 Park Place, Newark, N. J. **Underwriter**—To be named. The last sale of common stock on Dec. 15, 1959 and the last sale of preferred on Dec. 14, 1960 was handled by Merrill Lynch, Pierce, Fenner & Smith, Inc., and associates.

Radiation Applications, Inc.
Jan. 17, 1961 it was reported that this company is considering a public offering of stock in 1962. **Business**—Develops plastic and chemical materials for the electronics and missile industries, and performs extensive research and development in the fields of atomic energy, extractive metallurgy, plastics, and electrical insulation. Schenley Industries, Inc., owns about 36% of the outstanding stock. **Office**—Long Island City, N. Y. **Underwriter**—To be named. Hayden, Stone & Co., New York, recently handled a private placement of the company's stock.

Rochester Gas & Electric Corp.
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

Sierra Pacific Power Co. (5/4)
Feb. 16, 1961 the company reported that it plans to offer common stockholders the right to subscribe to additional stock on the basis of one new share for each 12 shares held. Based on the 795,416 common shares outstanding on Nov. 30, 1960 and the proposed 2-for-1 stock split expected to become effective March 29, 1961, this offering will involve about 132,570 new shares, and will be made on or about May 4. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—None.

Sierra Pacific Power Co. (5/11)
Feb. 16, 1961 the company stated that it plans to sell $6,500,000 of first mortgage bonds. **Proceeds**—For construction. **Office** — 220 South Virginia St., Reno, Nev. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Dean Witter & Co.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Bids**—Expected to be received on May 11.

Silo's Discount House
Jan. 9, 1961 it was reported that this retail chain is contemplating its first public financing. **Office**—Philadelphia, Pa.

Simulmatics Corp.
Feb. 21, 1961 it was reported that the company expects to file a registration statement shortly, covering 150,000 shares of common stock. **Office**—501 Madison Ave., New York 22, N. Y. **Underwriter**—Russell & Saxe, New York City.

Sony Corp.
Feb. 21, 1961 it was reported that this company plans to sell 2,000,000 common shares in the U. S., this summer. A registration statement covering the proposed offering will be filed with the SEC. **Business**—The company is a major producer of electronic consumer goods such as tape recorders, transistor radios and television sets. **Office**—Tokyo, Japan. **Underwriter**—To be named.

Southern Electric Generating Co. (6/15)
Jan. 4, 1961 it was reported that this company, jointly owned by Alabama Power Co., and Georgia Power Co., both in turn controlled by The Southern Co., plans the public sale of $27,000,000 first mortgage bonds due June 1, 1992. **Proceeds**—For expansion. **Office**—600 North Eighteenth St., Birmingham 3, Ala. **Underwriters**—To be determined by competitive bidding. Previous bidders included Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc., (jointly); Morgan Stanley & Co., White, Weld & Co., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co., Equitable Securities Corp. and Drexel & Co. (jointly); First Boston Corp.; and Halsey, Stuart & Co. Inc. **Registration**—Expected about May 8. **Bids**—To be received at 11 a.m. on June 15.

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly).

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Spiegel, Inc.
Jan. 17, 1961 it was reported that financing is being considered for this year, but details have not been decided upon. **Business**—The company is engaged in the sale of merchandise by mail, principally on a monthly payment basis. **Office**—1061 W. 35th St., Chicago 9, Ill. **Underwriter**—To be named. The last sale of securities consisted of $15,417,500 of 5% convertible debentures, due 1984, which were sold to stockholders through subscription rights in June 1959. The offering was underwritten by Wertheim & Co., New York.

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Swift & Co.
Feb. 7, 1961 it was reported that stockholders voted Jan. 26 to authorize the company to issue up to $35,000,000 of convertible debentures, and to increase authorized common from 6,000,000 to 8,000,000 shares to provide additional underlying shares for the proposed convertible issue. **Proceeds**—For expansion and working capital. **Office**—Union Stock Yards, Chicago 9, Ill. **Underwriter**—To be named. The last issue of debentures in October 1958 was placed privately through Salomon Bros. & Hutzler, New York City.

Texas Gas Transmission Corp.
Jan. 11, 1961 it was reported that this company plans to sell $10,000,000 to $15,000,000 of bonds in the third quarter of 1961. **Office**—416 West Third Street, Owensboro, Ky. **Underwriter**—Dillon, Read & Co., New York City.

Traid Corp.
Jan. 4, 1961 it was reported that this company is contemplating some new financing. No confirmation was available. **Business**—The company specializes in airborne photo instrumentation and manufactures aircraft motion picture cameras and accessory items. **Office** — Encino, Calif. **Underwriter**—Previous financing was handled by D. A. Lomasney & Co., New York City.

Transcontinental Gas Pipe Line Corp.
Jan. 17, 1961 it was reported that this company plans to spend $100,000,000 to expand its pipeline system, which brings natural gas to the New York City area. It was stated that the company expects to raise up to $50,000,000 this spring, by the sale of bonds, debentures or preferred stock. The type of securities offered will depend on FPC approval and the successful completion of a court case now in progress. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—To be named. The last sale of bonds in April 1960 was handled by White, Weld & Co., and Stone & Webster Securities Corp., both of New York City.

Trunkline Gas Co.
Feb. 6, 1961 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered about mid-1961. **Office** — 120 Broadway, New York City. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Union Electric Co.
Jan. 19, 1961 it was reported that this company plans to sell $20,000,000 to $30,000,000 of preferred in late 1961. **Proceeds**—For expansion of facilities. **Office** — 315 N. 12th Blvd., St. Louis, Mo. **Underwriter** — To be determined by competitive bidding. The last sale of preferred in November 1949 was underwritten by First Boston Corp.; Dillon, Read & Co., Lehman Brothers; White, Weld & Co. and Shields & Co. (jointly); and Blyth & Co.

United Aircraft Corp.
Feb. 15, 1961 it was reported that this company is considering issuance of $50,000,000 of bonds to replace a seven-year term loan. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—To be named. The company has never issued bonds, but its last offering of preferred stock on Sept. 17, 1956 was underwritten by Harriman Ripley & Co., Inc., New York and associates.

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Vinco Corp.
Feb. 20, 1961 it was reported that this company plans to sell $2,000,000 of convertible bonds. **Business**—The manufacture of precision parts and subassemblies for aircraft, missile and other industries. The company also produces guages and measuring instruments. **Proceeds**—For expansion and acquisition. **Office** — 9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City. **Registration** — Expected by late March.

Virginia Electric & Power Co. (6/13)
Jan. 17, 1961 the company announced plans to sell $30,000,000 of first mortgage bonds. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co. **Bids**—Scheduled for June 13 at 11 a.m. (EST).

• Waldorf Auto Leasing Inc.
Jan. 16, 1961 it was reported that this company plans a "Reg. A" filing covering 100,000 shares of common stock. **Price** — $3 per share. **Proceeds** — For general corporate purposes. **Office** — 2015 Coney Island Ave., Brooklyn, N. Y. **Underwriters**—Martinelli & Co., 79 Wall St., V. K. Osborne & Sons, Inc., 40 Exchange Place, First Atlantic Securities Co., 160 Broadway, New York City. **Registration**—Imminent.

★ Washington Gas Light Co. (5/3)
Feb. 27, 1961 it was reported that this company plans to sell $12,000,000 of refunding mortgage bonds. **Proceeds**—To repay debt and for construction. **Office**—1100 H St., N. W. Washington 5, D. C. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; First Boston Corp.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc., and Stone & Webster Securities Corp. (jointly). **Bids** — Expected on May 3 at 11 a.m. (EST).

Washington Natural Gas Co.
Jan. 16, 1961 it was reported that this company may raise about $4,000,000 in the spring of 1961 through bank loans, or a public offering of securities. **Office** — 1507 Fourth Ave., Seattle, Wash. **Underwriter**—The last public offering comprising common stock, was made in September 1958 through Dean Witter & Co., San Francisco.

• Welch Scientific Corp.
Feb. 15, 1961 it was reported that registration is expected shortly on an undisclosed number of common shares. **Underwriter**—Hornblower & Weeks, New York City.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Dr., Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co. and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Reserve Life Assurance Co. of Ohio
Jan. 30, 1961 it was reported that stockholders are to vote at the annual meeting in April on increasing authorized stock to provide for sale of about $1,250,000 of additional common to stockholders through subscription rights. **Proceeds**—To increase capital funds. **Office**—1 Union Commerce Annex, Cleveland 14, Ohio. **Underwriters**—McDonald & Co. and Ball, Burge & Kraus, Cleveland.

• Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and ten shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph would purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds to the public. **Office**—60 Hudson St., New York City. **Underwriter**—American Securities Corp. (managing).

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office**—Sheridan Springs Road, Lake Geneva, Wis. **Underwriter** — The Milwaukee Co., Milwaukee, Wis. (managing).

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

A New Guide to Your Local Buying Power

A brand new development, created by one of the most respected names in mapmaking, The Sanborn Map Company, can be of exceptional value to investment organizations in locating prospects and clients with the buying power to make it worthwhile to cultivate their business.

How many times have you prepared what you believed to be excellent direct mail material, sent it out to a list of prospects, only to discover that the results were most disappointing? Very often good advertising goes to the wrong people. Millions of dollars are wasted in direct mail every year because the proper prospects are not contacted.

You See It at a Glance

Sanborn has developed maps in color which show the buying power *by neighborhoods* in various cities grouped as follows: Grades one and two where the head of the household earns up to $2,500; grades three and four $2,500 to $4,000; grades five and six $4,000 to $7,000; seven and eight $7,000 to $10,000; and finally grade nine into the $10,000 and over group. The Sanborn Map Company, with over 100 years of experience in preparing highly diagrammatic maps for all cities in the nation, is using a staff of over 100 surveyors in constantly recording from *field observation* the data which is going into these marketing maps.

How Maps May Be Used

These maps serve two important functions for the first time in history.

First, attention is focussed on all the *marketing areas* that really make up metropolitan communities.

Second, by ascertaining the number of low, middle, and high income groups, it is possible to establish the market potential for goods and services, the demand for which is affected by income.

For example, to take some obvious cases—you wish to undertake a mail campaign to sell mutual funds or any other type of securities. Now all you have to do is to use these maps to pinpoint specific localities and neighborhoods, either for direct mail or personal solicitation. In addition, on a local basis, these maps will be of interest to *banks, real estate agencies, advertising agencies, mail list houses, Chambers of Commerce, city planning officials, land developers, insurance agents, and sales executives generally.*

This Is a Buying Power Map

We are not discussing just an ordinary map; it is a special type geared to the requirements of all segments of the business community. The basic "unit" is a 17-by-22-inch map sheet which, at the scale of one inch to 4,000 feet, covers an area 12 miles wide by 15 miles deep. When folded twice it occupies the standard 8½ by 11 inch square. The size of the metropolitan area, of course, determines the number of units necessary; Phoenix, for instance, covers only one unit, while six are required for Philadelphia. As of January 31, 1961 buying power maps have been completed for:

Albany-Troy, N. Y.; Atlanta, Ga.; Cincinnati, Ohio; Columbus, Ohio; Dayton, Ohio; Denver, Colo.; Houston, Texas; Indianapolis, Ind.; Louisville, Ky.; Milwaukee, Wis.; New Haven-Waterbury, Conn.; Norfolk-Portsmouth, Va.; Philadelphia, Pa.; Phoenix, Ariz.; Portland, Ore.; Rochester, N. Y.; San Antonio, Texas; San Jose, Calif.; St. Louis, Mo.; Seattle, Wash.; Washington, D. C.

In the next six months it is anticipated that maps will be available for the nation's 50 largest metropolitan county areas in which are located 47% of all the households in the United States accounting for an estimated 53% of the country's total net effective buying power.

It is with considerable pleasure that this column is able to recommend such a long-needed and helpful selling tool as these excellent buying power maps. For years security salesmen have been calling on the wrong doors, wasting valuable time working in neighborhoods that do not qualify as to investing ability, and in following leads that went to the wrong people.

For more information and a sample "Buying Power Map" write to the Sanborn Map Company, Inc., Dept. CFC, 629 Fifth Avenue, Pelham, N. Y., *on your company letterhead.* The reputation of this firm and the accuracy of their work is beyond question.

Berkey Photo Common Offered

An underwriting group headed by Paine, Webber, Jackson & Curtis is making an initial public offering today (March 2) of Berkey Photo, Inc., common stock. The group is offering 464,725 shares at $11.75 per share.

Of the offering, 180,000 shares are being sold by the company and 284,725 shares for the benefit of a group of selling stockholders. Of the company proceeds from the sale, approximately $600,000 will be used for the expansion of color processing facilities; $775,000 to repay short term bank loans, and the balance will be added to working capital. The stock has been closely held, and prior to now no market has existed for it.

Berkey Photo, Inc., serving the metropolitan New York area, Boston, Chicago, Detroit and Philadelphia is a processor of color and black and white photographic film and, through its subsidiaries, an importer and wholesale and retail distributor of photographic equipment. The photographic processing business was started in 1933, and Berkey Photo was one of the first processors to enter the color field. Through its subsidiaries, the company is the sole importer and distributor of the Linhof, Arriflex and Minox cameras and equipment from Germany and imports and distributes the Canon, Olympus and Samoca from Japan. Approximately 36% of company sales is from the processing business and 64% from the company's wholesale distribution divisions.

For the nine months ended Sept. 30, 1960, net sales totaled $9,140,574 and net income amounted to $451,213, equal to 55 cents per share on 820,000 shares outstanding, compared to net sales of $7,950,672 and net income of $178,678, or 22 cents on the same number of shares in the like period of 1959. The company has not previously paid dividends on its common stock, and, for the present, the board of directors anticipates that earnings will continue to be used to finance company growth.

Giving effect to the offering, capitalization will consist of no debt and 1,000,000 shares of common stock, $1 par value.

Milo Electronics Common Marketed

Milo Electronics Corp. is offering 150,000 shares of common stock at $5 per share through Myron A. Lomasney & Co., underwriter.

The company's executive offices and warehouse facilities are located in New York City. Milo Electronics Corp., is a distributor of electronic parts and equipment manufactured by others. Principal suppliers of the company are: Amphenol-Borg Electronics Corp.; C. B. S. Electronics Sales Corp.; General Electric Co.; Ohmite Corp.; Radio Corp. of America; Sprague Electric Co.; Sylvania Electric Products, Inc.; Transitron Electronics Corp. The company sells approximately 71,000 different items among which are: tubes, semi-conductors; connectors; resistors; transformers; test equipment; capacitors; switches; relays; steel panel racks and cabinets, and miscellaneous items.

Net proceeds from the sale of the shares will be used by the company to discharge certain short-term bank obligations and indebtedness and for the purchase of additional inventory. The balance will be added to working capital.

With Tucker, Anthony

BOSTON, Mass. — Davis H. Robinson has become connected with Tucker, Anthony & R. L. Day, 74 State Street.

With Harris, Upham Co.

(Special to THE FINANCIAL CHRONICLE)

DURHAM, N. C. — Clarence B. Idol is now affiliated with Harris, Upham & Co., Trust Building.

FINANCIAL NOTICE

Notice to Security Holders of

THE CONNECTICUT LIGHT AND POWER COMPANY

Earnings Statement for Twelve Months Ended January 31, 1961

The Connecticut Light and Power Company has made generally available to its security holders an Earnings Statement for the period of February 1, 1960 to January 31, 1961, such twelve month period beginning after the effective date of the Company's Registration Statement (2-16004) covering $25,000,000 First and Refunding Mortgage 4⅞% Bonds, Series P, which was filed January 7, 1960 with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and which became effective January 20, 1960.

Copies of such earnings statement will be mailed upon request to holders of the Company's securities.

THE CONNECTICUT LIGHT AND POWER COMPANY
Berlin, Connecticut

March 1, 1961

DIVIDEND NOTICES

THE COLORADO FUEL AND IRON CORPORATION

Dividend Notice

The Board of Directors of The Colorado Fuel and Iron Corporation today, (Thursday, February 23, 1961) declared the regular quarterly dividend of 62½ cents per share on the series A $50 par value preferred stock, and 68¾ cents per share on the series B $50 par value preferred stock.

These dividends are payable March 31, 1961 to holders of record at the close of business on March 6, 1961.

The Board of Directors took no action with respect to the common stock for this quarter.

D. C. McGREW, Secretary

DIVIDEND NOTICES

BRIGGS & STRATTON CORPORATION

BRIGGS & STRATTON

DIVIDEND

The Board of Directors has declared a regular quarterly dividend of fifty cents (50c) per share on the capital stock ($3 par value) of the Corporation, payable March 15, 1961, to stockholders of record March 3, 1961.

L. G. REGNER, Secretary-Treasurer

Milwaukee, Wis.
February 21, 1961

NATIONAL STEEL *Corporation*

NATIONAL STEEL

125th Consecutive Dividend

The Board of Directors at a meeting on February 21, 1961, declared a quarterly dividend of seventy-five cents per share on the capital stock, which will be payable March 14, 1961, to stockholders of record March 1, 1961.

PAUL E. SHROADS
Senior Vice President

DIVIDEND NOTICES

BENEFICIAL FINANCE CO.

127th CONSECUTIVE QUARTERLY CASH DIVIDEND

The Board of Directors has declared a quarterly cash dividend of

$.25 per share on Common Stock

payable March 31, 1961 to stockholders of record at close of business March 13, 1961.

Over 1,200 offices in U. S., Canada and England

BENEFICIAL FINANCE SYSTEM

Wm. E. Thompson
Secretary
March 1, 1961

E. I. DU PONT DE NEMOURS & COMPANY

DU PONT

Wilmington, Del., February 20, 1961

The Board of Directors has declared this day regular quarterly dividends of $1.12½ a share on the Preferred Stock—$4.50 Series and 87½¢ a share on the Preferred Stock—$3.50 Series, both payable April 25, 1961, to stockholders of record at the close of business on April 10, 1961; also $1.50 a share on the Common Stock as the first quarterly interim dividend for 1961, payable March 14, 1961, to stockholders of record at the close of business on February 28, 1961.

P. S. DU PONT, *Secretary*

AMERICAN BANK NOTE COMPANY

PREFERRED DIVIDEND No. 220
COMMON DIVIDEND No. 210

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending March 31, 1961 and a dividend of 30¢ per share on the Common Stock have been declared. Both dividends are payable April 1, 1961 to holders of record March 8, 1961. The stock transfer books will remain open.

LOUIS T. HINDENLANG
Secretary and Treasurer

February 24, 1961

CSC

COMMERCIAL SOLVENTS *Corporation*

DIVIDEND NO. 105

A dividend of fifteen cents (15¢) per share has today been declared on the outstanding common stock of this Corporation, payable on March 31, 1961, to stockholders of record at the close of business on March 6, 1961.

A. R. BERGEN
February 27, 1961. *Secretary.*

ELECTRIC BOND AND SHARE COMPANY

New York, N. Y.

Notice of Dividend

The Board of Directors has declared a quarterly dividend of thirty cents (30¢) a share on the Common Stock, payable March 30, 1961, to shareowners of record at the close of business on March 9, 1961.

B. M. BETSCH,
Secretary and Treasurer

February 23, 1961.

Pullman Incorporated

— 399th Dividend —
95th Consecutive Year of Quarterly Cash Dividends

A quarterly dividend of fifty cents (50¢) per share will be paid on March 14, 1961, to stockholders of record March 1, 1961.

CHAMP CARRY
President

Division and Subsidiaries:
Pullman-Standard division
The M. W. Kellogg Company
Trailmobile Inc.
Trailmobile Finance Company
Swindell-Dressler Corporation
Transport Leasing Company

INTERNATIONAL SALT COMPANY

DIVIDEND NO. 187

A dividend of ONE DOLLAR a share has been declared on the capital stock of this Company, payable April 1, 1961, to stockholders of record at the close of business on March 15, 1961. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN
Exec. Vice Pres. & Sec'y.

TC TENNESSEE CORPORATION

TENNESSEE CORPORATION

February 21, 1961

A quarterly dividend of thirty-five cents per share was declared payable March 24, 1961, to stockholders of record at the close of business March 9, 1961.

JOHN G. GREENBURGH,
61 Broadway *Treasurer*
New York 6, N. Y.

QUALITY

The American Tobacco Company

226TH PREFERRED DIVIDEND

A quarterly dividend of 1½% ($1.50 a share) has been declared upon the Preferred Stock of THE AMERICAN TOBACCO COMPANY, payable in cash on April 1, 1961, to stockholders of record at the close of business March 10, 1961. Checks will be mailed.

HARRY L. HILYARD
Vice President and Treasurer
February 28, 1961

© A. T. Co.

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 184 of sixty cents ($.60) per share on the common stock, payable April 15, 1961 to stockholders of record at the close of business on March 15, 1961.

GERALD J. EGER, Secretary

UNITED GAS CORPORATION

SHREVEPORT, LOUISIANA

Dividend Notice

The Board of Directors has this date declared a dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of the Corporation, payable April 1, 1961, to stockholders of record at the close of business on March 10, 1961.

B. M. BYRD
February 27, 1961 *Secretary*

UNITED GAS SERVING THE *Gulf South*

ANACONDA

DIVIDEND NO. 211

February 23, 1961

The Board of Directors of **THE ANACONDA COMPANY** has today declared a dividend of Fifty Cents (50¢) per share on its capital stock of the par value of $50 per share, payable March 29, 1961, to stockholders of record at the close of business on March 6, 1961.

R. E. SCHNEIDER
Secretary and Treasurer
25 Broadway, New York 4, N. Y.

AMERICAN STORES COMPANY
170th Dividend

CASH DIVIDEND: The Board of Directors on February 16, 1961 declared the regular quarterly dividend of 50c per share.

STOCK DIVIDEND: At the same time the Board of Directors declared a 5% stock dividend.

Both dividends are payable March 31, 1961 to stockholders of record on March 1, 1961.

JOHN R. PARK
Executive Vice President and Treasurer

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — President Kennedy is not going to get everything that he wants out of Congress, but he is likely to get a substantial part of his proposals enacted into law. Some of the measures will be in the form of compromise legislation.

With spring not too many weeks away, after the hardest winter Washington has experienced in generations, President Kennedy is enjoying his responsibilities at 1600 Pennsylvania Avenue.

Now that all the heavy snow has melted, the winter grass on the White House grounds are green. In another month or so the grounds should be lovely, but President Kennedy and his immediate family plan to spend many of their weekends at Middleburg, Va., in the horse country not far from the Nation's capital.

Meantime, on Capital Hill, Congress has finally settled down and is conducting hearings on many proposals, major and minor. So far, the President has sent to Congress an impressive list of priority measures that affect the American economy and the American people.

Coming up before long are scheduled messages from the White House, one dealing with the farm problems, and still another on water and natural resources. Both are vital and of great importance to everyone in our country.

Priority Schedule

Thus far, the President's priority proposals include these measures that are pending:

Federal aid to education; Federal aid to college education; Federal aid to medical education; health care for the aged under the Social Security program.

An increase in the minimum wage from $1 an hour to $1.25; aid for dependent children of unemployed fathers; improvements in the Social Security benefits; Federal support for expansion of community health facilities.

A $390,000,000 program designed to aid in redeveloping areas that have become blighted and depressed; extension of the government reorganization act; creation of 59 new Federal judgeships in scattered sections of the country.

Establishmhent of an Office of International Travel; ratification of United States affiliation with the Organization for Economic Co-operation and Development, and lifting of some restrictions involving trade with Iron Curtain countries.

Although these are President Kennedy's priority proposals, there are other measures that have been introduced that are of importance. Hearings have started on some of them.

Water Problem

These include water pollution, highway financing, extension of the Sugar Act, omnibus housing, the feed grains bill and mass transportation designed to help the choked central cities which are hurting badly from the lack of quick transportation.

It appears certain that both the President and Congress intend for the next few years to give more and more attention to our natural resources, and the water resources in particular. In a recent message, the Chief Executive explained that our country currently is using 300 billion gallons of water daily, but within the next 15 or 20 years we will be using twice that much.

The recent floods in the Far South, as an example, have significance. For instance billions of gallons of fresh water have rolled to the sea, leaving devastation behind.

Later this year, chances are that when the crops in that region of America become parched or dry, there will be vital need for irrigation. So far, little or nothing has been done to conserve the fresh water.

There is also the growing need for more fresh water for industry. Pollution of our country's rivers and streams have become a national disgrace in some regions.

Water shortages are now affecting many Eastern urban areas. The shortages will grow, unless an economical way is found to convert saline water into fresh water. But there is every indication that a way will be found and our government is stepping up its research on a dozen fronts.

Conversion Research

Dr. A. L. Miller, Director of the Office of Saline Water, under the Department of Interior, says research by his office shows that 42% of the municipal water supplies in our country are presently inadequate. This is a shocker.

Our adjoining seas have an unlimited amount of water. There is no doubt within scientific circles of Washington and the Office of Saline Water that ways will be found, and not too distant, when ocean and brackish waters will be made into fresh, sweet water at a price that is competitive with what many communities pay today.

Taking cognizance of the accelerated saline and brackish water conversion research program by the United States government, President Kennedy a few days ago said:

"No water resources program is of greater long-range importance—for relief not only for our shortages, but for arid nations the world over—than our efforts to find an economical way to convert water from the world's greatest, cheapest natural resources — our oceans— into water for consumption in the home and by industry. Such a breakthrough would end bitter struggles between neighbors, states and nations, and bring new hope for millions who now live out their lives in dire shortage of usable water and all the physical and economical blessings . . .

"This Administration is currently engaged in redoubled efforts to select the most promising approaches to economic desalinazation of ocean and brackish waters, and then focus our energies more intensively on those approaches. At my request, a panel of the President's Science Advisory Committee has been working with the Secretary of the Interior to assure the most vigorous and effective research and development program possible in this field."

Projects Under Way

At the same time, President Kennedy has pledged to the world that when this breakthrough is achieved, presuming it is during his Administration, the scientific know-how will be made available to every nation in the world which wishes it, along with technical and other assistance.

The Chief Executive has urged Congress not only to extend and step up the research, but to provide more funds. There is no objection in Congress to stepping up the research. The Office of Saline Water is currently working on several types of conversion.

The importance of water in our everyday life cannot be overestimated. Without water a nation will die. Without water, man perishes quickly. A city without water is a dead city.

Without water, man cannot grow food.

The Office of Saline Water has received more than 600 ideas on how to desalt ocean water. Some are good. And, as to be expected, some are crackpot ideas. Yet, the agency, which is growing in importance, is running most of them down. The office has a large group of scientific men and women who are being called upon to help evaluate the different processes.

It is possible that some obscure approach may turn out to solve the problem of making ocean water into good, pure drinking water. It can be done now, but our country and the world needs a cheaper method. Meantime, tremendous progress in the saline water field is being made.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"That must have been some account his Registered Representative lost!"

Hetzler Named ABA Comm. Head

Edward T. Hetzler, Vice-President of Bankers Trust Company, New York, has been appointed chairman of The American Bankers Association's Public Relations Committee by A.B.A. President Carl A. Bimson, it has been announced. Mr. Bimson is president of the Valley National Bank of Arizona, Phoenix.

Mr. Hetzler will fill the unexpired portion of the chairman term of William E. Singletary, who resigned theo ffice coincident with his resignation last month from a vice presidency of Wachovia Bank and Trust Company, Winston - Salem, North Carolina, to estabilsh his own public relations firm.

Now in his third one-year term as a member of the A.B.A. Public Relations Committee, Mr. Hetzler is a former president of the Financial Public Relations Association and a member of that association's senior council.

By virtue of his chairmanship of the Public Relations Committee, Mr. Hetzler will serve also as ex-officio member of the A.B.A. Executive Council and the A.B.A. Centennial Commission.

COMING EVENTS

IN INVESTMENT FIELD

March 9, 1961 (Chicago, Ill.) Investment Analysts Society Mid-west Forum.

March 15-16, 1961 (Chicago, Ill.) Central States Group of the Investment Bankers Association of America 25th annual conference at the Drake Hotel.

March 26-31, 1961 (Philadelphia) Institute of Investment Banking, Wharton School of Finance & Commerce.

April 7, 1961 (New York City) New York Security Dealers Association annual dinner at the Hotel Commodore.

April 12-14, 1961 (Houston, Tex.) Texas Group Investment Bankers Association of America 26th annual convention at Shamrock Hilton Hotel.

April 21, 1961 (New York, N. Y.) Security Traders Association of New York annual dinner at the Grand Ballroom of the Waldorf Astoria.

April 29-May 3, 1961 (Richmond, Va.) National Federation of Financial Analysts Societies 14th annual convention at the John Marshall Hotel.

May 1-3, 1961 (Philadelphia, Pa.) National Association of Mutual Savings Banks 41st annual conference at the Penn-Sheraton Hotel.

May 8-9, 1961 (St. Louis, Mo.) Association of Stock Exchange Firms — Spring meeting of the Board of Governors.

June 15, 1961 (New York City) Investment Association of New York annual outing at Sleepy Hollow Country Club.

June 22-25, 1961 (Canada) Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Oct. 9-10, 1961 (Denver, Colo.) Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 15-18, 1961 (San Francisco, Calif.) American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.) National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.) Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

Dec. 4-5, 1961 (New York City) National Association of Mutual Savings Banks 15th annual mid-year meeting.

May 6-9, 1962 (Seattle, Wash.) National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.